

109TH CONGRESS
1ST SESSION

H. R. 4197

To provide for the recovery, reclamation, restoration and reconstruction of lives and communities and for the reunion of families devastated by Hurricane Katrina and to address the issues of poverty exposed by Hurricane Katrina.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 2, 2005

Mr. WATT (for himself, Mr. CONYERS, Mr. RANGEL, Mr. OWENS, Mr. TOWNS, Mr. LEWIS of Georgia, Mr. PAYNE, Mr. JEFFERSON, Ms. NORTON, Ms. WATERS, Mr. BISHOP of Georgia, Ms. CORRINE BROWN of Florida, Mr. CLYBURN, Mr. HASTINGS of Florida, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. RUSH, Mr. SCOTT of Virginia, Mr. WYNN, Mr. THOMPSON of Mississippi, Mr. FATTAH, Ms. JACKSON-LEE of Texas, Mr. JACKSON of Illinois, Ms. MILLENDER-McDONALD, Mr. CUMMINGS, Ms. CARSON, Mrs. CHRISTENSEN, Mr. DAVIS of Illinois, Mr. FORD, Ms. KILPATRICK of Michigan, Mr. MEEKS of New York, Ms. LEE, Mrs. JONES of Ohio, Mr. CLAY, Ms. WATSON, Mr. DAVIS of Alabama, Mr. MEEK of Florida, Mr. SCOTT of Georgia, Mr. BUTTERFIELD, Ms. MCKINNEY, Mr. CLEAVER, Mr. AL GREEN of Texas, and Ms. MOORE of Wisconsin) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on the Judiciary, Financial Services, Energy and Commerce, Transportation and Infrastructure, Education and the Workforce, Small Business, Government Reform, and Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for the recovery, reclamation, restoration and reconstruction of lives and communities and for the reunion of families devastated by Hurricane Katrina and

to address the issues of poverty exposed by Hurricane Katrina.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
 5 “Hurricane Katrina Recovery, Reclamation, Restoration,
 6 Reconstruction and Reunion Act of 2005”.

7 (b) TABLE OF CONTENTS.—The table of contents for
 8 this Act is as follows:

Sec. 1. Short title; table of contents.
 Sec. 2. General findings.

TITLE I—VICTIM RESTORATION FUND

Sec. 101. Short title.
 Sec. 102. Definitions.
 Sec. 103. Purpose.
 Sec. 104. Administration.
 Sec. 105. Determination of eligibility for compensation.
 Sec. 106. Payments to eligible individuals.
 Sec. 107. Regulations.

TITLE II—ENVIRONMENTAL PROVISIONS

Sec. 201. Environmental findings.
 Sec. 202. Comprehensive plan.
 Sec. 203. Notification of public and professionals.
 Sec. 204. Training for responders and clean-up workers.
 Sec. 205. Public health assessment and monitoring.
 Sec. 206. Independent review.
 Sec. 207. Expiration.

TITLE III—HEALTH PROVISIONS

Subtitle A—Repair and Access

Sec. 301. Repair and disparities grants.
 Sec. 302. Disaster relief Medicaid.

Subtitle B—Temporary Assistance to Needy Families (TANF)

Sec. 311. Reimbursement of States for TANF benefits provided to assist fami-
 lies from other States affected by Hurricane Katrina.
 Sec. 312. Increase in amount of additional TANF funds available for hurri-
 cane-damaged States.

- Sec. 313. Rules for receipt of Hurricane Katrina Emergency TANF Benefits and application to child support requirements.
- Sec. 314. Authority to use funds in individual development accounts for car ownership, maintenance and insurance.

Subtitle C—Unemployment Compensation

- Sec. 321. Federal-State agreements.
- Sec. 322. Requirements relating to regular compensation.
- Sec. 323. Requirements relating to emergency extended unemployment compensation.
- Sec. 324. Payments to States.
- Sec. 325. Financing provisions.
- Sec. 326. Definitions.
- Sec. 327. Applicability.

Subtitle D—Health Insurance Coverage

- Sec. 331. Temporary emergency health coverage assistance for businesses and individuals.
- Sec. 332. Authority to postpone certain deadlines related to individual health coverage by reason of presidentially declared disaster or terrorist or military action.

TITLE IV—HOUSING AND COMMUNITY REBUILDING

- Sec. 401. Definitions.
- Sec. 402. Public housing capital fund reserves for emergencies and natural disasters.
- Sec. 403. HOPE VI program.
- Sec. 404. HOME Investment Partnerships program.
- Sec. 405. Community development block grant assistance.
- Sec. 406. CDBG loan guarantee program.
- Sec. 407. Youthbuild program.
- Sec. 408. Capacity building for community development and affordable housing.
- Sec. 409. Emergency rental assistance vouchers.
- Sec. 410. Prohibition of placement of families in substandard dwelling units.
- Sec. 411. Fair housing enforcement.
- Sec. 412. Housing counseling for families in temporary shelters.
- Sec. 413. Availability of HUD inventory properties.
- Sec. 414. Hurricane Katrina mortgage protection fund.
- Sec. 415. Housing priority for military personnel.

TITLE V—EDUCATION PROVISIONS

Subtitle A—General Provisions

- Sec. 501. Definitions.

Subtitle B—Early Childhood Programs Assistance

PART 1—EMERGENCY FUNDING FOR CONTINUATION OF SERVICES UNDER CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990

- Sec. 511. Emergency assistance for services under Child Care and Development Block Grant Act of 1990.
- Sec. 512. Authorization of appropriations.

PART 2—WAIVER AUTHORITY TO PROVIDE SERVICES UNDER CHILD CARE
AND DEVELOPMENT BLOCK GRANT ACT OF 1990

- Sec. 521. Waiver authority to expand the availability of services under Child
Care and Development Block Grant Act of 1990.
- Sec. 522. Authorization of appropriations.

PART 3—EMERGENCY FUNDING FOR CONTINUATION OF HEAD START
SERVICES

- Sec. 531. Emergency assistance for Head Start services.
- Sec. 532. Authorization of appropriations.

PART 4—WAIVER AUTHORITY TO PROVIDE HEAD START SERVICES

- Sec. 541. Waiver authority to expand the availability of Head Start services.
- Sec. 542. Technical assistance, guidance, and resources.

Subtitle C—Relief for Elementary and Secondary Schools

- Sec. 551. Education and pupil services for elementary and secondary students
relocated because of Hurricane Katrina.
- Sec. 552. Immediate Aid to Restart Public School Operations.
- Sec. 553. Grants for LEA's serving relocated children with disabilities.
- Sec. 554. Assistance for homeless youth.
- Sec. 555. Grants for activities at community learning centers.
- Sec. 556. Grants for construction, modernization, or repair of school facilities.
- Sec. 557. Katrina teachers incentive program.
- Sec. 558. Expedited Applications for Teacher Recruitment Grants.
- Sec. 559. Use of grant funds for major disasters.

Subtitle D—Relief for Institutions of Higher Education

- Sec. 561. Findings; Sense of Congress.
- Sec. 562. Institutional Grants for Recruitment and Retention.
- Sec. 563. Loan forgiveness.
- Sec. 564. Regulations.
- Sec. 565. Emergency designations.
- Sec. 566. Definitions.

TITLE VI—VOTING RIGHTS

- Sec. 601. Short title.
- Sec. 602. Applicability of protections for absent military and overseas voters to
Katrina evacuees.
- Sec. 603. Grants to States for Restoring and Replacing Election Administration
Supplies, Materials, and Equipment Damaged by Hurricane
Katrina.

TITLE VII—FINANCIAL SERVICES PROVISIONS

- Sec. 701. Hurricane Katrina regulatory relief.
- Sec. 702. Flexibility in capital and net worth standards for small affected insti-
tutions.
- Sec. 703. Waiver of Federal Reserve Board fees for certain services.
- Sec. 704. Waiver of certain limitation on certain bank investments to promote
the public welfare.

- Sec. 705. Emergency authority to guarantee checks cashed for victims of Hurricane Katrina.
- Sec. 706. Technical assistance for minority institutions.
- Sec. 707. Implementing Katrina disaster relief through the CDFI Fund.

TITLE VIII—EXPANDED OPPORTUNITY AND SMALL BUSINESS PROVISIONS

Subtitle A—Expanded Opportunity

- Sec. 801. Reinstatement of Davis-Bacon wage requirements.
- Sec. 802. Increased procurement goal for certain Federal contracts for recovery from Hurricane Katrina.
- Sec. 803. Local participation goal for participation in Federal procurement contracts in areas affected by Hurricane Katrina.
- Sec. 804. Requirement for hurricane recovery-related contracts to require 40 percent of contract workers be local residents.
- Sec. 805. Requirement for hurricane recovery-related contracts to include financial incentives for contractors to meet goals specified in the contracts.
- Sec. 806. Apprenticeship and other requirements for post-hurricane reconstruction.
- Sec. 807. Restatement of full application of statutory requirements of equal employment opportunity applicable to contracts and subcontracts to provide Hurricane Katrina relief.

Subtitle B—Disaster Loans and Small Business Relief

- Sec. 811. Definitions.
- Sec. 812. Disaster loans after Hurricane Katrina.
- Sec. 813. Nationwide disaster loans.
- Sec. 814. Small business emergency relief.
- Sec. 815. Authorization of appropriations for business counseling.
- Sec. 816. Small business development centers.
- Sec. 817. HUBZones.
- Sec. 818. Small business bonding threshold.
- Sec. 819. Loan defaults.
- Sec. 820. Budgetary treatment of loans and financings.
- Sec. 821. Emergency procurement authority.

TITLE IX—TAX PROVISIONS

- Sec. 901. Home purchase by victims of Hurricane Katrina.
- Sec. 902. Relief through low-income housing credit relating to Hurricane Katrina.
- Sec. 903. Tax exempt bonds for qualified gulf coast recovery projects.

TITLE X—BANKRUPTCY

- Sec. 1001. Short title.
- Sec. 1002. Definitions; who may be a debtor.
- Sec. 1003. Amendment to chapter 3.
- Sec. 1004. Amendments to chapter 5.
- Sec. 1005. Amendments to chapter 7.
- Sec. 1006. Amendments to chapter 11.
- Sec. 1007. Amendments to chapter 13.
- Sec. 1008. Amendment to title 28 of the United States Code.

Sec. 1009. Effective date; application of amendments.

TITLE XI—MISCELLANEOUS

Sec. 1101. Reimbursements.

Sec. 1102. Temporary flood insurance buy-in program.

Sec. 1103. Protection of existing rights of military personnel.

TITLE XII—ERADICATING POVERTY

Sec. 1201. Findings.

Sec. 1202. Sense of Congress.

1 **SEC. 2. GENERAL FINDINGS.**

2 The Congress finds that—

3 (1) Hurricane Katrina devastated the lives of
4 untold numbers of people who resided, worked and
5 did business in the Gulf Coast area of the United
6 States and exposed in graphic terms the extent of
7 poverty in the United States and how poverty can
8 make it impossible for people to respond in ways
9 necessary to protect their own interests, even in the
10 face of the most immediate and imminent danger;
11 and

12 (2) the President, the Congress and the people
13 of the United States want to make an unprecedented
14 response to rebuild the lives, homes, communities
15 and businesses of those devastated by Hurricane
16 Katrina and to make a renewed and sustained effort
17 to eradicate poverty in the United States and believe
18 that the following provisions will contribute thereto.

1 **TITLE I—VICTIM RESTORATION**
2 **FUND**

3 **SEC. 101. SHORT TITLE.**

4 This title may be cited as the “Hurricane Katrina
5 Victim Restoration Fund of 2005”.

6 **SEC. 102. DEFINITIONS.**

7 In this title, the following definitions apply:

8 (1) CLAIMANT.—The term “claimant” means
9 an individual filing a claim for compensation under
10 section 105(a)(1).

11 (2) COLLATERAL SOURCE.—The term “collat-
12 eral source” means all collateral sources, including
13 life insurance, pension funds, death benefit pro-
14 grams, and payments of Federal, State, or local gov-
15 ernments related to Hurricane Katrina if such pay-
16 ments by Federal, State, or local governments are
17 paid directly to the claimant.

18 (3) ECONOMIC LOSS.—The term “economic
19 loss” means any pecuniary loss resulting from harm
20 (including the loss of equity in assets, the loss of
21 earnings or other benefits related to employment,
22 medical expense loss, replacement services loss, loss
23 due to death, burial costs, and loss of business or
24 employment opportunities).

1 (4) ELIGIBLE INDIVIDUAL.—The term “eligible
2 individual” means an individual determined to be eli-
3 gible for compensation under section 105(c).

4 (5) NONECONOMIC LOSSES.—The term “non-
5 economic losses” means losses for physical and emo-
6 tional pain, suffering, inconvenience, physical im-
7 pairment, mental anguish, disfigurement, loss of en-
8 joyment of life, loss of society and companionship,
9 loss of consortium (other than loss of domestic serv-
10 ice), hedonic damages, injury to reputation, and all
11 other nonpecuniary losses of any kind or nature
12 available under the laws of Alabama, Louisiana, or
13 Mississippi to which the Special Master determines
14 the claimant has the most substantial connection.

15 (6) SPECIAL MASTER.—The term “Special Mas-
16 ter” means the Special Master appointed under sec-
17 tion 104(a).

18 **SEC. 103. PURPOSE.**

19 It is the purpose of this title to provide compensation
20 to any individual (or relatives of a deceased individual)
21 who sustained economic or noneconomic losses as a result
22 of Hurricane Katrina such that the individual (or relatives
23 of a deceased individual) are restored as nearly as possible
24 to their condition prior to Hurricane Katrina.

1 **SEC. 104. ADMINISTRATION.**

2 (a) IN GENERAL.—The Attorney General, acting
3 through a Special Master appointed by the Attorney Gen-
4 eral, shall—

5 (1) administer the compensation program es-
6 tablished under this title;

7 (2) promulgate all procedural and substantive
8 rules for the administration of this title; and

9 (3) employ and supervise hearing officers and
10 other administrative personnel to perform the duties
11 of the Special Master under this title.

12 (b) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated such sums as may be
14 necessary to pay the administrative and support costs for
15 the Special Master in carrying out this title.

16 **SEC. 105. DETERMINATION OF ELIGIBILITY FOR COM-**
17 **PENSATION.**

18 (a) FILING OF CLAIM.—

19 (1) IN GENERAL.—A claimant may file a claim
20 for compensation under this title with the Special
21 Master. The claim shall be on the form developed
22 under paragraph (2) and shall state the factual basis
23 for eligibility for compensation and the amount of
24 compensation sought.

25 (2) CLAIM FORM.—

1 (A) IN GENERAL.—The Special Master
2 shall develop a claim form that claimants shall
3 use when submitting claims under paragraph
4 (1). The Special Master shall ensure that such
5 form can be filed electronically, if determined to
6 be practicable.

7 (B) CONTENTS.—The form developed
8 under subparagraph (A) shall request—

9 (i) information from the claimant con-
10 cerning the physical harm that the claim-
11 ant suffered, or in the case of a claim filed
12 on behalf of a decedent information con-
13 firming the decedent's death, as a result of
14 Hurricane Katrina;

15 (ii) information from the claimant
16 concerning any possible economic and non-
17 economic losses that the claimant suffered
18 as a result of Hurricane Katrina; and

19 (iii) information regarding collateral
20 sources of compensation the claimant has
21 received or is entitled to receive as a result
22 of Hurricane Katrina.

23 (3) LIMITATION.—No claim may be filed under
24 paragraph (1) after the date that is 2 years after

1 the date on which regulations are promulgated
2 under section 107.

3 (b) REVIEW AND DETERMINATION.—

4 (1) REVIEW.—The Special Master shall review
5 a claim submitted under subsection (a) and deter-
6 mine—

7 (A) whether the claimant is an eligible in-
8 dividual under subsection (c);

9 (B) with respect to a claimant determined
10 to be an eligible individual—

11 (i) the extent of the harm to the
12 claimant, including any economic and non-
13 economic losses; and

14 (ii) the amount of compensation to
15 which the claimant is entitled based on the
16 harm to the claimant, the facts of the
17 claim, and the individual circumstances of
18 the claimant.

19 (2) NEGLIGENCE.—With respect to a claimant,
20 the Special Master shall not consider negligence or
21 any other theory of liability.

22 (3) DETERMINATION.—Not later than 120 days
23 after that date on which a claim is filed under sub-
24 section (a), the Special Master shall complete a re-
25 view, make a determination, and provide written no-

1 tice to the claimant, with respect to the matters that
2 were the subject of the claim under review. Such a
3 determination shall be final and not subject to judi-
4 cial review.

5 (4) RIGHTS OF CLAIMANT.—A claimant in a re-
6 view under paragraph (1) shall have—

7 (A) the right to be represented by an at-
8 torney;

9 (B) the right to present evidence, including
10 the presentation of witnesses and documents;
11 and

12 (C) any other due process rights deter-
13 mined appropriate by the Special Master.

14 (5) NO PUNITIVE DAMAGES.—The Special Mas-
15 ter may not include amounts for punitive damages
16 in any compensation paid under a claim under this
17 title.

18 (6) COLLATERAL COMPENSATION.—The Special
19 Master shall reduce the amount of compensation de-
20 termined under paragraph (1)(B)(ii) by the amount
21 of the collateral source compensation the claimant
22 has received or is entitled to receive as a result of
23 Hurricane Katrina.

24 (c) ELIGIBILITY.—

1 (1) IN GENERAL.—A claimant shall be deter-
2 mined to be an eligible individual for purposes of
3 this subsection if the Special Master determines that
4 such claimant—

5 (A) is an individual described in paragraph
6 (2); and

7 (B) meets the requirements of paragraph
8 (3).

9 (2) INDIVIDUALS.—A claimant is an individual
10 described in this paragraph if the claimant is—

11 (A) an individual who—

12 (i) was present or had assets present
13 in Alabama, Louisiana or Mississippi at
14 the time, or in the immediate aftermath of
15 Hurricane Katrina; and

16 (ii) suffered physical harm, death,
17 economic or noneconomic losses; or

18 (B) in the case of a decedent who is an in-
19 dividual described in subparagraph (A), the per-
20 sonal representative of the decedent who files a
21 claim on behalf of the decedent.

22 (3) REQUIREMENTS.—

23 (A) SINGLE CLAIM.—Not more than one
24 claim may be submitted under this title by an
25 individual or on behalf of a deceased individual.

1 (B) LIMITATION ON CIVIL ACTION.—

2 (i) IN GENERAL.—Upon the submis-
3 sion of a claim under this title, the claim-
4 ant waives the right to file a civil action
5 (or to be a party to an action) in any Fed-
6 eral or State court for damages sustained
7 as a result of Hurricane Katrina. The pre-
8 ceding sentence does not apply to a civil
9 action to recover collateral source obliga-
10 tions.

11 (ii) PENDING ACTIONS.—In the case
12 of an individual who is a party to a civil
13 action described in clause (i), such indi-
14 vidual may not submit a claim under this
15 title unless such individual withdraws from
16 such action by the date that is 90 days
17 after the date on which regulations are
18 promulgated under section 322.

19 **SEC. 106. PAYMENTS TO ELIGIBLE INDIVIDUALS.**

20 (a) IN GENERAL.—Not later than 20 days after the
21 date on which a determination is made by the Special Mas-
22 ter regarding the amount of compensation due a claimant
23 under this title, the Special Master shall authorize pay-
24 ment to such claimant of the amount determined with re-
25 spect to the claimant.

1 (b) PAYMENT AUTHORITY.—This title constitutes
2 budget authority in advance of appropriations Acts and
3 represents the obligation of the Federal Government to
4 provide for the payment of amounts for compensation
5 under this title.

6 (c) ADDITIONAL FUNDING.—

7 (1) IN GENERAL.—The Attorney General is au-
8 thorized to accept such amounts as may be contrib-
9 uted by individuals, business concerns, or other enti-
10 ties to carry out this title, under such terms and
11 conditions as the Attorney General may impose.

12 (2) USE OF SEPARATE ACCOUNT.—In making
13 payments under this section, amounts contained in
14 any account containing funds provided under para-
15 graph (1) shall be used prior to using appropriated
16 amounts.

17 **SEC. 107. REGULATIONS.**

18 Not later than 90 days after the date of enactment
19 of this Act, the Attorney General, in consultation with the
20 Special Master, shall promulgate regulations to carry out
21 this title, including regulations with respect to—

22 (1) forms to be used in submitting claims under
23 this title;

24 (2) the information to be included in such
25 forms;

1 (3) procedures for hearing and the presentation
2 of evidence;

3 (4) procedures to assist an individual in filing
4 and pursuing claims under this title; and

5 (5) other matters determined appropriate by
6 the Attorney General.

7 **TITLE II—ENVIRONMENTAL**
8 **PROVISIONS**

9 **SEC. 201. ENVIRONMENTAL FINDINGS.**

10 The Congress finds that—

11 (1) Hurricane Katrina demonstrated the con-
12 nection between the health and safety of commu-
13 nities and the health of natural resources;

14 (2) many of the hardest hit areas in New Orle-
15 ans and the Gulf Coast from Hurricane Katrina
16 were low-income and minority communities already
17 facing decades of environmental injustices;

18 (3) the United States Coast Guard reported
19 more than 7 million gallons of oil and between 1 and
20 2 million gallons of gasoline from plants and depots
21 in southeast Louisiana were spilled as a result of
22 Hurricane Katrina;

23 (4) Hurricane Katrina struck 466 facilities han-
24 dling large quantities of dangerous chemicals, 31
25 hazardous waste sites along the Gulf Coast, and 16

1 superfund toxic waste sites, 3 of which were flooded,
2 being in the environs of the City of New Orleans;

3 (5) the flooded Superfund sites in Louisiana
4 and Mississippi contained contaminants that include
5 heavy metals associated with developmental prob-
6 lems and increased risk of cancer, and polycyclic ar-
7 omatic hydrocarbons, which are known carcinogens;

8 (6) spills of oil and other toxic chemicals pose
9 a particularly serious public health threat when they
10 dry and become airborne as invisible, breathable par-
11 ticulates;

12 (7) Hurricane Katrina initially destroyed or
13 compromised 170 drinking water facilities and 47
14 public owned wastewater treatment works along the
15 affected Gulf Coast region;

16 (8) New Orleans hosts several Level-3 biolabs,
17 including a bioweapons research lab at Tulane Uni-
18 versity, which pose a major public health risk should
19 any research pathogens have escaped into the envi-
20 ronment as a result of the hurricane and resultant
21 flooding and power outages; and

22 (9) residents of New Orleans and the affected
23 Gulf Coast areas have demonstrated their desire and
24 determination to return to their homes and, in order

1 to enable them to do so, a comprehensive plan is
2 needed.

3 **SEC. 202. COMPREHENSIVE PLAN.**

4 (a) IN GENERAL.—

5 (1) PLANNING.—In order to protect the health
6 and safety of the people of the Gulf Coast regions
7 devastated by Hurricane Katrina, the Administrator
8 of the Environmental Protection Agency (hereinafter
9 in this title referred to as the “Administrator”) , in
10 consultation with the Governor of any affected State,
11 shall develop a Comprehensive Environmental Sam-
12 pling and Toxicity Assessment Plan (hereinafter in
13 this title referred to as the “CESTAP”) to deter-
14 mine the immediate and long-term hazards posed by
15 exposure to toxins and infectious materials released
16 into the environment as a result of Hurricane
17 Katrina and resultant flooding.

18 (2) COMPREHENSIVE TESTING.—By sampling
19 and analysis of the soil, water, air and human popu-
20 lations in order to determine the presence, volume,
21 and potential distribution vectors of hazardous tox-
22 ins and infectious materials.

23 (3) AGGREGATION AND NOTIFICATION.—The
24 data collected shall be aggregated to identify envi-

ronmental “hot spots,” known and potential toxic threats and public health trends.

(A) The results should be used to alert State and local officials, including health and public safety officials.

(B) The results should also be made available to the public and used in a public information campaign to aggressively distribute information about public safety threats to the public.

(4) FIRST LINE OF DEFENSE.—In light of the high potential for a public health disaster under circumstances of multiple releases of toxic and hazardous substances into the environment and complex mixing of such materials in floodwaters, the Administrator shall set up the first line of defense against immediate and long-term threats to public safety by ensuring that all existing Federal and State environmental and work safety standards are diligently observed.

(5) COORDINATION.—The CESTAP shall encompass and be coordinated with existing sampling and assessment efforts by Federal and State agencies. In light of the scope and types of testing necessary, the multiple regions affected and the pressing need for haste, the Administrator shall utilize

1 the work of independent, professional researchers
2 with established credentials. Such work of citizen re-
3 searchers, motivated by the same desire as the gov-
4 ernment to protect their fellow citizens from harm,
5 shall be utilized by government officials in identi-
6 fying the most hazardous geographic sites and po-
7 tential public health emergencies.

8 (b) NOTICE TO CONGRESS.—

9 (1) INITIAL NOTICE.—Not later than 30 days
10 after the date of the enactment of this Act, the Ad-
11 ministrator shall submit to the Committees on
12 Transportation and Infrastructure and Energy and
13 Commerce of the House of Representatives and the
14 Committee on Environment and Public Works of the
15 Senate an initial draft of the CESTAP, together
16 with a progress report on the current state of the
17 environmental testing, assessment, clean-up and
18 public safety efforts in the hurricane-devastated re-
19 gions of the Gulf Coast.

20 (2) SUBSEQUENT NOTIFICATIONS.—Not later
21 than 30 days after the date on which the Adminis-
22 trator submits the initial plan and progress report
23 under paragraph (1), and every 30 days thereafter,
24 the Administrator shall submit to such committees a
25 subsequent progress report, covering—

1 (A) sampling and toxicity assessment re-
2 sults on a region-by-region basis;

3 (B) ongoing and revised planning for noti-
4 fying potentially affected populations and pro-
5 viding proper training and equipment for han-
6 dling hazardous substances; and

7 (C) results of public health assessment and
8 monitoring studies, including any reports indi-
9 cating illnesses possibly resulting from exposure
10 to toxins released in Hurricane Katrina or local
11 epidemics or outbreaks of disease from con-
12 tagions.

13 (c) ANNUAL REVIEW.—No later than 1 year after the
14 date of the enactment of this Act, the Administrator shall
15 submit to the committees referred to in subsection (b) a
16 report describing—

17 (1) the known and potential threats to public
18 health and safety, immediate and long-term, identi-
19 fied under the CESTAP;

20 (2) details of efforts to inform and alert the
21 public and government officials of identified threats
22 and evaluation of their effectiveness;

23 (3) results of efforts to ensure the safety of re-
24 sponders and clean-up crews and evaluation of their
25 effectiveness;

1 (4) results of immediate intervention and on-
2 going monitoring of public health, including the
3 health of responders, clean-up crews and government
4 officials present in affected areas and evaluation of
5 their effectiveness;

6 (5) an overall assessment of—

7 (A) how the threat to public health has
8 been managed;

9 (B) what threats to public health still re-
10 main; and

11 (C) what existing programs must continue
12 in order to address remaining threats; and

13 (6) additional recommendations for action on
14 problems that have not yet been addressed or have
15 not adequately been addressed.

16 (d) ZONING.—

17 (1) RIGHT OF RETURN.—The Department of
18 Homeland Security, the Federal Emergency Man-
19 agement Agency and the Environmental Protection
20 Agency shall allow residents to return to their homes
21 and claim their property and to assist them in doing
22 so and in handling the relief and rehabilitation ef-
23 forts in the Gulf region shall be guided by this prin-
24 ciple.

1 (2) RIGHT TO KNOW THE RISKS.—At the same
2 time, Federal and State shall inform the hurricane
3 survivors about the known and possible health risks
4 they may face upon returning to their domiciles, as
5 well how they can best protect themselves and where
6 they can obtain the necessary equipment and mate-
7 rials to do so, and shall prevent residents from re-
8 turning to areas where the health risks are too se-
9 vere.

10 (3) STANDARDS.—Principles (1) and (2) above
11 must be balanced against one another and the Ad-
12 ministrator shall play the lead role in setting safety
13 standards to help bring concert to the work of var-
14 ious Federal, State and local officials to determine
15 which areas remain too unsafe to allow residents to
16 return. In doing so, the Administrator shall have the
17 authority to define zones of safety, including—

18 (A) “keep out” zones that remain unsafe
19 for residents to return, even where other agen-
20 cies have declared them safe from flooding or
21 hazardous debris such as downed power lines;

22 (B) “at your own risk” zones where safety
23 risks are uncertain, or can be controlled with
24 proper information and equipment (where said

1 information and equipment is made available to
2 residents); and

3 (C) “low risk” zones where the risk level is
4 considered minimal, but where residents and
5 visitors are nevertheless provided with informa-
6 tion on what risks do exist and what measures
7 they can take to minimize them.

8 (4) COMPENSATION.—Residents whose homes
9 or businesses have been destroyed or terminally com-
10 promised or who face an indefinite waiting period
11 before being allowed to reclaim their property shall
12 be offered the choice of alternative land and/or hous-
13 ing as compensation.

14 (5) SAFETY OVER SPECULATION.—The govern-
15 ment’s obligations defined in principles (1) and (2)
16 above do not apply in the same way to private inter-
17 ests such as land speculators who are not in the con-
18 dition of having no home to return to.

19 (6) INSPECTION AND CERTIFICATION.—The
20 government must protect the public and consumers
21 from immediate and long-term health risks by re-
22 quiring those public and private buyers of property
23 in potentially contaminated areas who possessed no
24 title to said land prior to the hurricane, to obtain
25 certification of a comprehensive inspection for envi-

1 ronmental quality, public health safety as well as
2 compliance with local historical preservation laws
3 prior to commencement of new construction or re-
4 sale of real estate. The Administrator shall deter-
5 mine areas subject by this clause and shall work
6 with the Centers for Disease Control and Prevention
7 as well as State, local and community governments
8 to establish inspection and certification procedures.

9 (7) INSPECTION PROCEDURES.—The Adminis-
10 trator shall develop standards for such inspection
11 procedures, in cooperation with State and local offi-
12 cials, including local health and public safety agen-
13 cies. These standards are to be included in the over-
14 all CESTAP provided under this section.

15 **SEC. 203. NOTIFICATION OF PUBLIC AND PROFESSIONALS.**

16 (a) EMERGENCY NOTIFICATION.—

17 (1) HIGHEST RISK AREAS.—The Administrator
18 shall take immediate action to ensure that contami-
19 nated areas that have already been identified as pos-
20 ing the highest risk to human health are properly
21 marked with warning signs, and are patrolled by po-
22 lice who have been given clear guidelines on how to
23 manage traffic in and out of the area. The Adminis-
24 trator shall also ensure that public and health offi-
25 cials from the surrounding region are provided with

1 detailed information about the dangers posed by the
2 area of contamination, and what movement restric-
3 tions apply. This being of the highest priority, the
4 Administrator shall not wait for the first draft of the
5 CESTAP plan before acting.

6 (2) AIRBORNE CONTAMINANTS.—The Adminis-
7 trator shall take immediate action to ensure that the
8 population in areas subject to potential health risks
9 from airborne contaminants are made aware of the
10 dangers they face through a public information cam-
11 paign, with literature to be provided to and dissemi-
12 nated by State and local officials and, where their
13 capacity is lacking, by Federal agencies. This being
14 of the highest priority, the Administrator shall not
15 wait for the first draft of the CESTAP before act-
16 ing.

17 (b) TRANSPARENCY.—

18 (1) INFORMATION CAMPAIGN.—A major compo-
19 nent of the CESTAP plan shall be a pro-active in-
20 formation campaign as part of an effort to produce
21 and disseminate information in the form of lit-
22 erature, web postings and public service announce-
23 ments providing affected populations with clear and
24 concise warnings about the potential hazards they
25 face.

1 (2) REGULAR UPDATES.—The Administrator
2 shall ensure that the campaign is on-going, pro-
3 viding the public with new information as it becomes
4 available.

5 (3) NOTIFYING OFFICIALS.—The Administrator
6 shall ensure that this information campaign includes
7 the provision of detailed information, in print and
8 through direct consultation, to officials overseeing
9 disaster relief, rehabilitation and clean-up.

10 (c) COHERENCY.—

11 (1) PROVIDING MEANS OF PROTECTION.—Pub-
12 lic information campaigns under this section shall be
13 coordinated in conjunction with efforts to supply rel-
14 evant safety equipment (from hazmat suits to rubber
15 gloves and cleaning solutions) to affected popu-
16 lations and working crews.

17 (2) INTER-AGENCY COOPERATION.—The Ad-
18 ministrator shall develop the CESTAP plan by—

19 (A) identifying and using available re-
20 sources and manpower of agencies other than
21 the Environmental Protection Agency, where
22 the Agency lacks the resources to meet plan
23 goals; while at the same time:

1 (B) combining efforts as much as possible
 2 with those agencies to be so tapped, through
 3 such measures as—

4 (i) setting up joint information cam-
 5 paigns where possible;

6 (ii) identifying teams of agencies who
 7 will be working in high risk areas and pro-
 8 visioning the necessary protective gear; and
 9 in general

10 (iii) seeking wherever possible to avoid
 11 unnecessary duplication of effort.

12 **SEC. 204. TRAINING FOR RESPONDERS AND CLEAN-UP**
 13 **WORKERS.**

14 (a) PLANNING AND EXECUTION.—

15 (1) RESPONDERS HEALTH AND SAFETY
 16 PLAN.—The CESTAP shall contain a program de-
 17 signed to protect the health and safety of responders
 18 and clean-up crews specifically in relation to toxic
 19 and infectious materials.

20 (2) INTER-AGENCY COORDINATION.—The Ad-
 21 ministrator shall coordinate this program with the
 22 following agencies:

23 (A) the Occupational Safety and Health
 24 Administration, which is responsible for ensur-
 25 ing the health and safety of disaster responders

1 and clean-up crews in cooperation with Federal,
2 State, and local officials and private sector or-
3 ganizations;

4 (B) the Department of Labor, which is re-
5 sponsible for coordinating a response plan to
6 address worker health and safety issues; and

7 (C) the National Institute of Occupational
8 Safety and Health, which should be ready to
9 provide health and safety training to responders
10 and clean-up crews.

11 (3) AUTHORITY OF ADMINISTRATOR.—The Ad-
12 ministrator shall have authority to involve and use
13 the resources of these agencies to achieve the goals
14 here set out.

15 (b) EMERGENCY TRAINING.—The Administrator
16 shall include in the CESTAP, guidelines to ensure that—

17 (1) worksites and areas where responders and
18 clean-up crews are to be sent are subject to a full
19 environmental assessment and identification of haz-
20 ards through onsite evaluation and monitoring and
21 identification of workers likely to be facing high risk
22 of hazardous exposures;

23 (2) relief, reconstruction and clean-up workers
24 of all contributing agencies—

1 (A) are properly informed of the environ-
2 mental hazards they may face in their work;

3 (B) are provided proper training in han-
4 dling toxic materials;

5 (C) are provided with the proper protective
6 equipment (such as respirators to protect
7 against airborne toxins), and guidelines and
8 training for using them; and

9 (D) receive proper immunizations, where
10 necessary and appropriate;

11 (3) mechanisms are in place to provide equal
12 protection from environmental and health hazards to
13 State and local public employees not covered by reg-
14 ulations of the Occupational Safety and Health Ad-
15 ministration; and

16 (4) these efforts are coordinated in close col-
17 laboration with local employers, unions and safety
18 and health professionals.

19 (c) **HIRING POLICY.**—The Administrator shall ensure
20 that qualified residents returning to New Orleans and hur-
21 ricane-affected areas, and who are faced with the job loss
22 are given priority in new hirings for positions involved in
23 ongoing sampling and assessment of the environment.

24 **SEC. 205. PUBLIC HEALTH ASSESSMENT AND MONITORING.**

25 (a) **EARLY INTERVENTION.**—

1 (1) IMMEDIATE HUMAN HEALTH ASSESS-
2 MENT.—The Administrator shall include in the
3 CESTAP plan an immediate public health assess-
4 ment of—

5 (A) populations remaining in or returning
6 to areas of known or potential exposure to tox-
7 ins and infectious materials, and

8 (B) relief, rehabilitation and clean-up
9 workers working in areas known to be at risk.

10 (2) PURPOSE.—The purpose of such immediate
11 assessment is—

12 (A) to identify any epidemiological out-
13 breaks or toxological trends in the population;
14 and

15 (B) as a means of—

16 (i) screening for hazards missed by
17 other forms of environmental sampling;

18 (ii) alerting relevant health officials to
19 addressing the problem; and

20 (iii) setting a base-line for long-term
21 monitoring.

22 (b) LONG-TERM MONITORING.—The CESTAP shall
23 include provisions for periodic follow-up studies, no more
24 than a year apart, to assess the ongoing and long-term
25 health impacts of the toxic and infectious materials that

1 were or may have been released into the environment as
2 a result of the impact of Hurricane Katrina.

3 **SEC. 206. INDEPENDENT REVIEW.**

4 (a) INDEPENDENT ADVISORY AND REVIEW
5 PANEL.—In order to ensure maximum consonance with
6 efforts of residents of affected areas and cities to rebuild
7 their homes, businesses and communities, the Adminis-
8 trator shall establish an Independent Advisory and Review
9 Panel (IARP), comprised of—

10 (1) professionals who can share expert scientific
11 and environmental knowledge with the Adminis-
12 trator and officials involved in carrying out the
13 CESTAP;

14 (2) respected community leaders capable of pro-
15 viding to the Administrator and officials involved in
16 carrying out the CESTAP first-hand knowledge of—

17 (A) State, local and community resources
18 and organizational capacities;

19 (B) existing plans and efforts by State and
20 local communities to rebuild their communities
21 as well as to deal with discovered toxic and in-
22 fectious hazardous materials; and

23 (C) the priorities and concerns of affected
24 populations;

1 (3) officials from State and local government;
2 and

3 (4) State and local public health and safety offi-
4 cials.

5 (b) NOMINATIONS.—Nominations for the IARP shall
6 be solicited from—

7 (1) local and national scientific and environ-
8 mental nongovernmental organizations;

9 (2) civic bodies and community organizations in
10 the affected cities, States, and regions;

11 (3) State, local and community government
12 bodies.

13 (c) PERIODIC REVIEW.—The IARP shall issue peri-
14 odic reports no less frequently than quarterly, assessing
15 the progress of the CESTAP, with specific reference to—

16 (1) previous or on-going threats to public health
17 that the CESTAP failed to identify or to adequately
18 address;

19 (2) the effectiveness of efforts under CESTAP
20 to protect residents, responders and clean-up work-
21 ers through providing information, training and
22 safety equipment; and

23 (3) implementation of the CESTAP in coordi-
24 nation with State, local and community government

1 and nongovernmental bodies, including suggestions
 2 for further improvement.

3 **SEC. 207. EXPIRATION.**

4 Unless otherwise extended by law, this title and the
 5 CESTAP shall cease to apply upon completion of the Ad-
 6 ministrator's fifth annual report to Congress.

7 **TITLE III—HEALTH PROVISIONS**

8 **Subtitle A—Repair and Access**

9 **SEC. 301. REPAIR AND DISPARITIES GRANTS.**

10 (a) CONSTRUCTION AND REPAIR GRANTS .—The
 11 Secretary of Health and Human Services (in this section
 12 referred to as the “Secretary”) shall make grants to public
 13 health facilities and loans to private health facilities, for
 14 the purpose of constructing, modernizing, or repairing
 15 hospitals, clinics, health centers, laboratories, and other
 16 health facilities in a Hurricane Katrina disaster area dam-
 17 aged as a result of Hurricane Katrina for—

18 (1) construction of hospitals, clinics, health cen-
 19 ters, laboratories, mental health and substance
 20 abuse facilities that meet the standards of the Joint
 21 Commission on the Accreditation of Healthcare Or-
 22 ganizations (JCAHO);

23 (2) repair or modernization of such public or
 24 private hospitals or public facilities as provide health
 25 care or health related services; and

1 (3) to bring hospitals and public health facili-
2 ties in compliance with such JCAHO standards and
3 requirements of the Centers for Medicare & Med-
4 icaid Services.

5 (b) HEALTH DISPARITY GRANTS.—The Secretary,
6 acting through the Administrator of the Health and
7 Human Resources Administration and the Director of the
8 Office of Minority Health, and in consultation with the
9 Director of the Office of Community Services and the Di-
10 rector of the National Center for Minority Health and
11 Health Disparities, shall make grants to assist individuals,
12 hospitals, businesses, schools, minority health associa-
13 tions, non-profit organizations, community-based organi-
14 zations, healthcare clinics, foundations, and other entities
15 in communities in a Hurricane Katrina disaster area and
16 that disproportionately experience disparities in health
17 status and healthcare which are seeking—

18 (1) to improve the health of minority individ-
19 uals in the community and to reduce disparities in
20 health status and healthcare by assisting individuals
21 in accessing Federal programs or by other means;
22 and

23 (2) to coordinate the efforts of governmental
24 and private entities regarding the elimination of ra-
25 cial and ethnic health status and healthcare.

1 (c) APPLICATION.—To obtain a grant under this sec-
2 tion, an applicant shall submit to the Secretary an applica-
3 tion in such form and in such manner as the Secretary
4 may require. An application for a grant under—

5 (1) subsection (a) shall describe, with such
6 specificity as the Secretary shall require, the damage
7 sustained as a result of Hurricane Katrina and the
8 steps proposed to address the damage; and

9 (2) subsection (b) shall demonstrate that the
10 communities to be served are those that dispropor-
11 tionately experience disparities in health status and
12 healthcare and shall set forth a strategic plan for re-
13 ducing those disparities by—

14 (A) describing the coordinated health, eco-
15 nomic, human, community, and physical devel-
16 opment plan and related activities proposed for
17 the community;

18 (B) identifying the projected amount of
19 Federal, State, local and private resources that
20 will be available in the area and the private and
21 public partnerships to be used (including any
22 participation by or cooperation with univer-
23 sities, colleges, foundations, non-profit organiza-
24 tions, medical centers, hospitals, health clinics,

1 school districts, or other private and public en-
2 tities);

3 (C) identifying the funding requested
4 under any Federal program in support of the
5 proposed activities;

6 (D) identifying benchmarks for measuring
7 the success of carrying out the strategic plan;

8 (E) demonstrating the ability to reach and
9 service the targeted underserved minority com-
10 munity populations in a culturally appropriate
11 and linguistically responsive manner; and

12 (F) demonstrating a capacity and infra-
13 structure to provide long-term community re-
14 sponse that is culturally appropriate and lin-
15 guistically responsive to communities that dis-
16 proportionately experience disparities in health
17 and healthcare.

18 (d) DEFINITION.—For purposes of this section, the
19 term “Hurricane Katrina disaster area” means an area
20 which the President has designated as a disaster area as
21 a result of Hurricane Katrina of August 2005.

22 (e) AUTHORIZATION OF APPROPRIATION .—There
23 are authorized to be appropriated to carry out this section,
24 such sums as may be necessary for each of fiscal years
25 2006 through 2010.

1 **SEC. 302. DISASTER RELIEF MEDICAID.**

2 (a) AUTHORITY TO PROVIDE DISASTER RELIEF
3 MEDICAID.—Notwithstanding any provision of title XIX
4 of the Social Security Act, a State shall, as a condition
5 of participation in the Medicaid program established
6 under title XIX of the Social Security Act (42 U.S.C.
7 1396 et seq.), provide medical assistance to DRM-eligible
8 Katrina Survivors (as defined in subsection (b)) under a
9 State Medicaid plan established under such title during
10 the disaster relief Medicaid coverage period in accordance
11 with the following provisions of this section and without
12 submitting an amendment to the State Medicaid plan.
13 Such assistance shall be referred to as “Disaster Relief
14 Medicaid Assistance (DRM assistance)”.

15 (b) DRM-ELIGIBLE KATRINA SURVIVOR DE-
16 FINED.—

17 (1) IN GENERAL.—In this section, the term
18 “DRM-eligible Katrina Survivor” means a Katrina
19 Survivor whose family income does not exceed the
20 higher of—

21 (A) 100 percent (200 percent, in the case
22 of such a Survivor who is a pregnant woman,
23 child, or a recipient of disability benefits under
24 section 223 of the Social Security Act) of the
25 poverty line; or

1 (B) the income eligibility standard which
2 would apply to the Survivor under the State
3 Medicaid plan.

4 (2) NO RESOURCES, RESIDENCY, OR CATEGOR-
5 ICAL ELIGIBILITY REQUIREMENTS.—Eligibility
6 under paragraph (1) shall be determined without ap-
7 plication of any resources test, State residency, or
8 categorical eligibility requirements.

9 (3) INCOME DETERMINATION.—

10 (A) LEAST RESTRICTIVE INCOME METH-
11 ODOLOGIES.—The State shall use the least re-
12 strictive methodologies applied under the State
13 Medicaid plan under section 1902(r)(2) of the
14 Social Security Act (42 U.S.C. 1396a(r)(2)) in
15 determining income eligibility for Katrina Sur-
16 vivors under paragraph (1).

17 (B) DISREGARD OF UI BENEFITS.—In de-
18 termining such income eligibility, the State
19 shall disregard any amount received under a
20 law of the United States or of a State which is
21 in the nature of unemployment compensation by
22 a Katrina Survivor during the DRM coverage
23 period.

24 (4) DEFINITION OF CHILD.—For purposes of
25 paragraph (1), a DRM-eligible Katrina Survivor

1 shall be determined to be a “child” in accordance
2 with the definition of “child” under the State Med-
3 icaid plan.

4 (c) ELIGIBILITY DETERMINATION; NO CONTINU-
5 ATION OF DRM ASSISTANCE.—

6 (1) STREAMLINED ELIGIBILITY PROCESS.—The
7 State shall use the following streamlined procedures
8 in processing applications and determining eligibility
9 for DRM assistance for DRM-eligible Katrina Sur-
10 vivors:

11 (A) A common 1-page application form de-
12 veloped by the Secretary of Health and Human
13 Services in consultation with the National Asso-
14 ciation of State Medicaid Directors. Such form
15 shall—

16 (i) require an applicant to provide an
17 expected address for the duration of the
18 DRM coverage period and to agree to up-
19 date that information if it changes during
20 such period;

21 (ii) include notice regarding the pen-
22 alties for making a fraudulent application
23 under subsection (h);

24 (iii) require the applicant to assign to
25 the State any rights of the applicant (or

1 any other person who is a DRM-eligible
2 Katrina Survivor and on whose behalf the
3 applicant has the legal authority to execute
4 an assignment of such rights) under any
5 group health plan or other third-party cov-
6 erage for health care; and

7 (iv) require the applicant to list any
8 health insurance coverage which the appli-
9 cant was enrolled in immediately prior to
10 submitting such application.

11 (B) Self-attestation by the applicant that
12 the applicant—

13 (i) is a DRM-eligible Katrina Sur-
14 vivor; and

15 (ii) if applicable, requires home and
16 community-based services provided under
17 such DRM assistance in accordance with
18 subsection (d)(3).

19 (C) No requirement for documentation evi-
20 dencing the basis on which the applicant quali-
21 fies to be a DRM-eligible Katrina Survivor or,
22 if applicable, requires home and community-
23 based services.

24 (D) Issuance of a DRM assistance eligi-
25 bility card to an applicant who completes such

1 application, including the self-attestation re-
2 quired under subparagraph (B). Such card shall
3 be valid as long as the DRM coverage period is
4 in effect and shall be accompanied by notice of
5 the termination date for the DRM coverage pe-
6 riod and, if applicable, notice that such termi-
7 nation date may be extended. If the President
8 extends the DRM coverage period, the State
9 shall notify DRM-eligible Katrina Survivors en-
10 rolled in DRM assistance of the new termi-
11 nation date for the DRM coverage period.

12 (E) If an applicant completes the applica-
13 tion and presents it to a provider or facility
14 participating in the State Medicaid plan that is
15 qualified to make presumptive eligibility deter-
16 minations under such plan (which at a min-
17 imum shall consist of facilities identified in sec-
18 tion 1902(a)(55) of the Social Security Act (42
19 U.S.C. 1396a(a)(55)) and it appears to the pro-
20 vider that the applicant is a DRM-eligible
21 Katrina Survivor based on the information in
22 the application, the applicant will be deemed to
23 be a DRM-eligible Katrina Survivor eligible for
24 DRM assistance in accordance with this section,
25 subject to subsection (g).

1 (F) Continuous eligibility, without the need
2 for any re-determination of eligibility, for the
3 duration of the DRM coverage period.

4 (2) NO CONTINUATION OF DRM ASSISTANCE.—

5 (A) IN GENERAL.—Except as provided in
6 subparagraphs (B) and (C), no DRM assistance
7 shall be provided after the end of the DRM cov-
8 erage period.

9 (B) PRESUMPTIVE ELIGIBILITY.—In the
10 case of any DRM-eligible Katrina Survivor who
11 is receiving DRM assistance from a State in ac-
12 cordance with this section and who, as of the
13 end of the DRM coverage period, has an appli-
14 cation pending for medical assistance under the
15 State Medicaid plan for periods beginning after
16 the end of such period, the State shall provide
17 such Survivor with a period of presumptive eli-
18 gibility for medical assistance under the State
19 Medicaid plan (not to exceed 60 days) until a
20 determination with respect to the Survivor's ap-
21 plication has been made.

22 (C) PREGNANT WOMEN.—In the case of a
23 DRM-eligible Katrina Survivor who is receiving
24 DRM assistance from a State in accordance
25 with this section and whose pregnancy ended

1 during the 60-day period prior to the end of the
2 DRM coverage period, or who is pregnant as of
3 the end of such period, such Survivor shall con-
4 tinue to be eligible for DRM assistance after
5 the end of the DRM coverage period, including
6 (but not limited to) for all pregnancy-related
7 and postpartum medical assistance available
8 under the State Medicaid plan, through the end
9 of the month in which the 60-day period (begin-
10 ning on the last day of her pregnancy) ends.

11 (3) TREATMENT OF KATRINA SURVIVORS PRO-
12 VIDED ASSISTANCE PRIOR TO DATE OF ENACT-
13 MENT.—Any Katrina Survivor who is provided med-
14 ical assistance under a State Medicaid plan in ac-
15 cordance with guidance from the Secretary during
16 the period that begins on August 28, 2005, and ends
17 on the date of enactment of this Act shall be treated
18 as a DRM-eligible Katrina Survivor, without the
19 need to file an additional application, for purposes of
20 eligibility for DRM assistance under this section.

21 (d) SCOPE OF COVERAGE.—

22 (1) CATEGORICALLY NEEDY BENEFITS.—The
23 State shall treat a DRM-eligible Katrina Survivor as
24 an individual eligible for medical assistance under
25 the State plan under title XIX of the Social Security

1 Act on the basis of section 1902(a)(10)(A)(i) of the
2 Social Security Act (42 U.S.C. 1396a(a)(10)(A)(i)),
3 with coverage for such assistance retroactive to
4 items and services furnished on or after August 28,
5 2005 (or in the case of applications for DRM assist-
6 ance submitted after January 1 2006, the first day
7 of the 5th month preceding the date on which such
8 application is submitted).

9 (2) EXTENDED MENTAL HEALTH AND CARE CO-
10 ORDINATION BENEFITS.—The State may provide,
11 without regard to any restrictions on amount, dura-
12 tion, and scope, comparability, or restrictions other-
13 wise applicable under the State medicaid plan (other
14 than restrictions applicable under such plan with re-
15 spect to services provided in an institution for men-
16 tal diseases), to DRM-eligible Katrina Survivors ex-
17 tended mental health and care coordination benefits
18 which may include the following:

19 (A) Screening, assessment, and diagnostic
20 services (including specialized assessments for
21 individuals with cognitive impairments).

22 (B) Coverage for a full range of mental
23 health medications at the dosages and fre-
24 quencies prescribed by health professionals for

1 depression, post-traumatic stress disorder, and
2 other mental disorders.

3 (C) Treatment of alcohol and substance
4 abuse determined to result from circumstances
5 related to Hurricane Katrina.

6 (D) Psychotherapy, rehabilitation and
7 other treatments administered by psychiatrists,
8 psychologists, or social workers for conditions
9 exacerbated by, or resulting from, Hurricane
10 Katrina.

11 (E) In-patient mental health care.

12 (F) Family counseling for families where a
13 member of the immediate family is a Katrina
14 Survivor or first responder to Hurricane
15 Katrina or includes an individual who has died
16 as a result of Hurricane Katrina.

17 (G) In connection with the provision of
18 health and long-term care services, arranging
19 for, (and when necessary, enrollment in waiver
20 programs or other specialized programs), and
21 coordination related to, primary and specialty
22 medical care, which may include personal care
23 services, durable medical equipment and sup-
24 plies, assistive technology, and transportation.

1 (3) HOME AND COMMUNITY-BASED SERV-
2 ICES.—

3 (A) IN GENERAL.—In the case of a State
4 with a waiver to provide home and community-
5 based services granted under section 1115 of
6 the Social Security Act or under subsection (c)
7 or (d) of section 1915 of such Act, the State
8 may provide such services to DRM-eligible
9 Katrina Survivors who self-attest in accordance
10 with subsection (c)(1)(B)(ii) that they require
11 immediate home and community-based services
12 that are available under such waiver without re-
13 gard to whether the Survivors would require the
14 level of care provided in a hospital, nursing fa-
15 cility, or intermediate care facility for the men-
16 tally retarded, including to DRM-eligible
17 Katrina Survivors who are individuals described
18 in subparagraph (B).

19 (B) INDIVIDUALS DESCRIBED.—Individ-
20 uals described in this subparagraph are individ-
21 uals who—

22 (i) on any day during the week pre-
23 ceding August 28, 2005—

24 (I) had been receiving home and
25 community-based services under a

1 waiver described in subparagraph (A)
2 in a direct impact parish or county;

3 (II) had been receiving support
4 services from a primary family care-
5 giver who, as a result of Hurricane
6 Katrina, is no longer available to pro-
7 vide services; or

8 (III) had been receiving personal
9 care, home health, or rehabilitative
10 services under the State Medicaid
11 plan or under a waiver granted under
12 section 1915 or 1115 of the Social Se-
13 curity Act; or

14 (ii) are disabled (as determined under
15 the State Medicaid plan).

16 (C) WAIVER OF RESTRICTIONS.—The Sec-
17 retary shall waive with respect to the provision
18 of home and community-based services under
19 this paragraph any limitations on—

20 (i) the number of individuals who
21 shall receive home or community-based
22 services under a waiver described in sub-
23 paragraph (A);

24 (ii) budget neutrality requirements ap-
25 plicable to such waiver; and

1 (iii) targeted populations eligible for
2 services under such waiver.

3 The Secretary may waive other restrictions ap-
4 plicable under such a waiver, that would pre-
5 vent a State from providing home and commu-
6 nity-based services in accordance with this
7 paragraph.

8 (4) CHILDREN BORN TO PREGNANT WOMEN.—

9 In the case of a child born to a DRM-eligible
10 Katrina Survivor who is provided DRM assistance
11 during the DRM coverage period, such child shall be
12 treated as having been born to a pregnant woman el-
13 igible for medical assistance under the State Med-
14 icaid plan and shall be eligible for medical assistance
15 under such plan in accordance with section
16 1902(e)(4) of the Social Security Act (42 U.S.C.
17 1396a(e)(4)). The Federal medical assistance per-
18 centage applicable to the State Medicaid plan shall
19 apply to medical assistance provided to a child under
20 such plan in accordance with the preceding sentence.

21 (e) TERMINATION OF COVERAGE; ASSISTANCE WITH
22 APPLYING FOR REGULAR MEDICAID COVERAGE.—

23 (1) NOTICE OF EXPECTED TERMINATION OF
24 DRM COVERAGE PERIOD.—A State shall provide
25 DRM-eligible Katrina Survivors who are receiving

1 DRM assistance from the State in accordance with
2 this section, as of the beginning of the 4th month
3 (and, if applicable, 9th month) of the DRM coverage
4 period with—

5 (A) notice of the expected termination date
6 for DRM assistance for such period;

7 (B) information regarding eligibility for
8 medical assistance under the State's eligibility
9 rules otherwise applicable under the State med-
10 icaid plan; and

11 (C) an application for such assistance and
12 information regarding where to obtain assist-
13 ance with completing such application in ac-
14 cordance with paragraph (2).

15 (2) APPLICATION ASSISTANCE.—A State shall
16 provide DRM-eligible Katrina Survivors who are re-
17 ceiving DRM assistance from the State in accord-
18 ance with this section with assistance in applying for
19 medical assistance under the State medicaid plan for
20 periods beginning after the end of the DRM cov-
21 erage period, at State Medicaid offices and at loca-
22 tions easily accessible to such Survivors.

23 (3) STATE REPORTS.—A State providing DRM
24 assistance in accordance with this section shall sub-
25 mit to the Secretary the following reports:

1 (A) TERMINATION AND TRANSITION AS-
2 SISTANCE TO REGULAR MEDICAID COVERAGE
3 FOR DRM-ELIGIBLE KATRINA SURVIVORS ELIGI-
4 BLE FOR SUCH ASSISTANCE.—A report detail-
5 ing how the State intends to satisfy the require-
6 ments of paragraphs (1) and (2).

7 (B) ENROLLMENT.—Reports regarding—

8 (i) the number of Katrina Survivors
9 who are determined to be DRM-eligible
10 Katrina Survivors; and

11 (ii) the number of DRM-eligible
12 Katrina Survivors who are determined to
13 be eligible for, and enrolled in, the State
14 Medicaid plan.

15 (4) SECRETARIAL OVERSIGHT.—The Secretary
16 of Health and Human Services shall ensure that a
17 State is complying with the requirements of para-
18 graphs (1) and (2) and that applications for medical
19 assistance under the State Medicaid plan from
20 DRM-eligible Katrina Survivors for periods begin-
21 ning after the end of the DRM coverage period are
22 processed in a timely and appropriate manner.

23 (5) NO PRIVATE RIGHT OF ACTION AGAINST A
24 STATE FOR FAILURE TO PROVIDE NOTICE.—No pri-
25 vate right of action shall be brought against a State

1 for failure to provide the notices required under
2 paragraph (1) or subsection (c)(1) so long as the
3 State makes a good faith effort to provide such no-
4 tices.

5 (f) 100 PERCENT FEDERAL MATCHING PAY-
6 MENTS.—

7 (1) IN GENERAL.—Notwithstanding section
8 1905(b) of the Social Security Act (42 U.S.C.
9 1396d(b), the Federal medical assistance percentage
10 or the Federal matching rate otherwise applied
11 under section 1903(a) of such Act (42 U.S.C.
12 1396b(a)) shall be 100 percent for—

13 (A) providing DRM assistance to DRM-eli-
14 gible Katrina Survivors during the DRM cov-
15 erage period in accordance with this section;

16 (B) costs directly attributable to adminis-
17 trative activities related to the provision of such
18 DRM assistance, including costs attributable to
19 obtaining recoveries under subsection (h);

20 (C) costs directly attributable to providing
21 application assistance in accordance with sub-
22 section (e)(2); and

23 (D) DRM assistance provided in accord-
24 ance with subparagraph (B) or (C) of sub-

1 section (c)(2) after the end of the DRM cov-
2 erage period.

3 (2) DISREGARD OF PAYMENTS.—Payments pro-
4 vided to a State in accordance with this subsection
5 shall be disregarded for purposes of applying sub-
6 sections (f) and (g) of section 1108 of the Social Se-
7 curity Act (42 U.S.C. 1308).

8 (g) VERIFICATION OF STATUS AS A KATRINA SUR-
9 VIVOR.—

10 (1) IN GENERAL.—The State shall make a good
11 faith effort to verify the status of an individual who
12 is enrolled in the State Medicaid plan as a DRM-eli-
13 gible Katrina Survivor under the provisions of this
14 section. Such effort shall not delay the determina-
15 tion of the eligibility of the Survivor for DRM assist-
16 ance under this section.

17 (2) EVIDENCE OF VERIFICATION.—A State may
18 satisfy the verification requirement under subpara-
19 graph (A) with respect to an individual by showing
20 that the State providing DRM assistance obtained
21 information from the Social Security Administration,
22 the Internal Revenue Service, or the State Medicaid
23 Agency for the State from which individual is from
24 (if the individual was not a resident of such State

1 on any day during the week preceding August 28,
2 2005).

3 (h) PENALTY FOR FRAUDULENT APPLICATIONS.—

4 (1) INDIVIDUAL LIABLE FOR COSTS.—If a
5 State, as the result of verification activities con-
6 ducted under subsection (g) or otherwise, determines
7 after a fair hearing that an individual has knowingly
8 made a false self-attestation described in subsection
9 (c)(1)(B), the State may, subject to paragraph (2),
10 seek recovery from the individual for the full amount
11 of the cost of DRM assistance provided to the indi-
12 vidual under this section.

13 (2) EXCEPTION.—The Secretary shall exempt a
14 State from seeking recovery under paragraph (1) if
15 the Secretary determines that it would not be cost-
16 effective for the State to do so.

17 (3) REIMBURSEMENT TO THE FEDERAL GOV-
18 ERNMENT.—Any amounts recovered by a State in
19 accordance with this subsection shall be returned to
20 the Federal government.

21 (i) EXEMPTION FROM ERROR RATE PENALTIES.—

22 All payments attributable to providing DRM assistance in
23 accordance with this section shall be disregarded for pur-
24 poses of section 1903(u) of the Social Security Act (42
25 U.S.C. 1396b(u)).

1 (j) PROVIDER PAYMENT RATES.—In the case of any
2 DRM assistance provided in accordance with this section
3 to a DRM-eligible Katrina Survivor that is covered under
4 the State Medicaid plan (as applied without regard to this
5 section) the State shall pay a provider of such assistance
6 the same payment rate as the State would otherwise pay
7 for the assistance if the assistance were provided under
8 the State Medicaid plan (or, if no such payment rate ap-
9 plies under the State Medicaid plan, the usual and cus-
10 tomary prevailing rate for the item or service for the com-
11 munity in which it is provided).

12 (k) APPLICATION TO INDIVIDUALS ELIGIBLE FOR
13 MEDICAL ASSISTANCE.—Nothing in this section shall be
14 construed as affecting any rights accorded to an individual
15 who is a recipient of medical assistance under a State
16 Medicaid plan who is determined to be a DRM-eligible
17 Katrina Survivor but the provision of DRM assistance to
18 such individual shall be limited to the provision of such
19 assistance in accordance with this section.

20 (l) DEFINITIONS.—

21 (1) DRM COVERAGE PERIOD.—

22 (A) IN GENERAL.—The term “DRM cov-
23 erage period” means the period beginning on
24 August 28, 2005, and, subject to subparagraph

1 (B), ending on the date that is 12 months after
2 the date of enactment of this Act.

3 (B) PRESIDENTIAL AUTHORITY TO EX-
4 TEND DRM COVERAGE PERIOD.—

5 (i) IN GENERAL.—The President may
6 extend the DRM coverage period for an
7 additional 12 months. Any reference to the
8 term “DRM coverage period” in this title
9 shall include any extension under this
10 clause.

11 (ii) NOTICE TO CONGRESS AND
12 STATES.—The President shall notify the
13 majority and minority leaders of the Sen-
14 ate, the Speaker of the House of Rep-
15 resentatives, the minority leader of the
16 House of Representatives, the Chairs and
17 Ranking Members of the Committee on Fi-
18 nance of the Senate and the Committees
19 on Energy and Commerce and Ways and
20 Means of the House of Representatives,
21 and the States at least 30 days prior to—

22 (I) extending the DRM coverage
23 period; or

1 (II) if the President determines
 2 not to extend such period, the ending
 3 date described in subparagraph (A).

4 (2) POVERTY LINE.—The term “poverty line”
 5 has the meaning given that term in section
 6 2110(c)(5) of the Social Security Act (42 U.S.C.
 7 1397jj(c)(5)).

8 (3) SECRETARY.—The term “Secretary” means
 9 the Secretary of Health and Human Services.

10 **Subtitle B—Temporary Assistance** 11 **to Needy Families (TANF)**

12 **SEC. 311. REIMBURSEMENT OF STATES FOR TANF BENE-** 13 **FITS PROVIDED TO ASSIST FAMILIES FROM** 14 **OTHER STATES AFFECTED BY HURRICANE** 15 **KATRINA.**

16 (a) IN GENERAL.—Section 3 of the TANF Emer-
 17 gency Response and Recovery Act of 2005 (Public Law
 18 109–68) is amended to read as follows:

19 **“SEC. 3. REIMBURSEMENT OF STATES FOR TANF BENEFITS** 20 **PROVIDED TO ASSIST FAMILIES FROM** 21 **OTHER STATES AFFECTED BY HURRICANE** 22 **KATRINA.**

23 “(a) ELIGIBILITY FOR PAYMENTS FROM THE CON-
 24 TINGENCY FUND.—

1 “(1) PERIOD OF APPLICABILITY.—Beginning
 2 with August 29, 2005, and ending with August 31,
 3 2006, each State that is a direct impact State or a
 4 State described in paragraph (3) of this subsection
 5 shall be considered a needy State for purposes of
 6 section 403(b) of the Social Security Act.

7 “(2) DIRECT IMPACT STATE.—In this sub-
 8 section, the term ‘direct impact State’ means Lou-
 9 isiana, Mississippi, and Alabama.

10 “(3) OTHER STATES.—A State is described in
 11 this paragraph if the State provides any benefit or
 12 service, that may be provided under the State pro-
 13 gram funded under part A of title IV of the Social
 14 Security Act, to a family which—

15 “(A) has resided in a direct impact State;
 16 and

17 “(B) has traveled (not necessarily directly)
 18 to the State from the direct impact State as a
 19 result of the hurricane.

20 “(b) MONTHLY PAYMENTS.—

21 “(1) IN GENERAL.—Notwithstanding section
 22 403(b)(3)(C)(i) of the Social Security Act, the total
 23 amount paid during a month to—

24 “(A) a direct impact State, shall not ex-
 25 ceed $\frac{1}{4}$ of 20 percent of the State family assist-

1 ance grant (described in section 403(a)(1)(B) of
2 such Act); and

3 “(B) a State described in subsection
4 (a)(3), shall not exceed the lesser of—

5 “(i) total amount of benefits or serv-
6 ices provided under the State program
7 funded under part A of title IV of such Act
8 to families described in subsection (a)(3);
9 or

10 “(ii) $\frac{1}{4}$ of 20 percent of the State
11 family assistance grant (as so described).

12 “(c) NO STATE MATCH OR MAINTENANCE OF EF-
13 FORT REQUIRED.—Sections 403(b)(6) and 409(a)(10) of
14 the Social Security Act shall not apply with respect to a
15 payment made to a State by reason of this section.

16 “(d) INCREASE IN FUNDING TO THE EXTENT NEC-
17 ESSARY.—During the period beginning with August 29,
18 2005, and ending with September 30, 2006, section
19 403(b)(2) of the Social Security Act shall be applied with-
20 out regard to the limitation on the total amount specified
21 in such section.”.

22 (b) RETROACTIVE EFFECTIVE DATE.—The amend-
23 ment made by subsection (a) shall take effect as if in-
24 cluded in the enactment of the TANF Emergency Re-
25 sponse and Recovery Act of 2005.

1 **SEC. 312. INCREASE IN AMOUNT OF ADDITIONAL TANF**
2 **FUNDS AVAILABLE FOR HURRICANE-DAM-**
3 **AGED STATES.**

4 (a) IN GENERAL.—Section 4(a)(2) of the TANF
5 Emergency Response and Recovery Act of 2005 (Public
6 Law 109–68) is amended by striking “20 percent” and
7 inserting “40 percent”.

8 (b) RETROACTIVE EFFECTIVE DATE.—The amend-
9 ment made by subsection (a) shall take effect as if in-
10 cluded in the enactment of the TANF Emergency Re-
11 sponse and Recovery Act of 2005.

12 **SEC. 313. RULES FOR RECEIPT OF HURRICANE KATRINA**
13 **EMERGENCY TANF BENEFITS AND APPLICA-**
14 **TION TO CHILD SUPPORT REQUIREMENTS.**

15 (a) IN GENERAL.—Section 6 of the TANF Emer-
16 gency Response and Recovery Act of 2005 (Public Law
17 109–68) is amended to read as follows:

18 **“SEC. 6. RULES OF RECEIPT OF HURRICANE KATRINA**
19 **EMERGENCY TANF BENEFITS AND APPLICA-**
20 **TION TO CHILD SUPPORT REQUIREMENTS.**

21 “(a) IN GENERAL.—During the period described in
22 section 3(d) of this Act, Hurricane Katrina Emergency
23 TANF Benefits provided by a direct impact State (as de-
24 fined in section 3(a)(2) of this Act), a State described in
25 section 3(a)(3) of this Act, or an Indian tribe under a trib-
26 al family assistance plan approved under section 412 of

1 the Social Security Act shall not be considered assistance
2 for purposes of section 407, paragraphs (2), (3), or (7)
3 of section 408(a), or section 454(29) of the Social Security
4 Act.

5 “(b) HURRICANE KATRINA EMERGENCY TANF BEN-
6 EFITS.—In subsection (a), the term ‘Hurricane Katrina
7 Emergency TANF Benefits’ means any benefit or service
8 that may be provided under a State or tribal program
9 funded under part A of title IV of the Social Security Act
10 to support—

11 “(1) a family described in section 3(a)(3) of
12 this Act; or

13 “(2) a family that—

14 “(A) is residing in a direct impact State
15 (as defined in section 3(a)(2) of this Act); and

16 “(B) the State considers a needy family for
17 purposes of the program.”.

18 (c) RETROACTIVE EFFECTIVE DATE.—The amend-
19 ment made by subsection (a) shall take effect as if in-
20 cluded in the enactment of the TANF Emergency Re-
21 sponse and Recovery Act of 2005.

1 **SEC. 314. AUTHORITY TO USE FUNDS IN INDIVIDUAL DE-**
2 **VELOPMENT ACCOUNTS FOR CAR OWNER-**
3 **SHIP, MAINTENANCE AND INSURANCE.**

4 (a) ACCOUNTS ESTABLISHED UNDER THE TANF
5 PROGRAM.—

6 (1) ADDITIONAL QUALIFIED PURPOSE FOR USE
7 OF FUNDS.—Section 404(h)(2)(B) of the Social Se-
8 curity Act (42 U.S.C. 604(h)(2)(B)) is amended by
9 adding at the end the following:

10 “(iv) QUALIFIED AUTOMOTIVE EX-
11 PENDITURES.—Qualified automotive ex-
12 penditures paid from an individual develop-
13 ment account directly to the persons to
14 whom the amounts are due.”.

15 (2) DEFINITION.—Section 404(h)(5) of the So-
16 cial Security Act (42 U.S.C. 604(h)(5)) is amended
17 by adding at the end the following:

18 “(J) QUALIFIED AUTOMOTIVE EXPENDI-
19 TURES.—The term ‘qualified automotive ex-
20 penditures’ means expenditures for the pur-
21 chase or maintenance of an automobile, or for
22 insurance for an automobile.”.

23 (b) ACCOUNTS ESTABLISHED UNDER THE ASSETS
24 FOR INDEPENDENCE PROGRAM.—Section 404(8) of the
25 Assets for Independence Act (42 U.S.C. 604 note) is
26 amended by adding at the end the following:

1 “(E) QUALIFIED AUTOMOTIVE EXPENDI-
2 TURES.—

3 “(i) IN GENERAL.—Qualified auto-
4 motive expenditures paid from an indi-
5 vidual development account directly to the
6 persons to whom the amounts are due.

7 “(ii) DEFINITION.—In clause (i), the
8 term ‘qualified automotive expenditures’
9 means expenditures for the purchase or
10 maintenance of an automobile, or for in-
11 surance for an automobile.”.

12 **Subtitle C—Unemployment** 13 **Compensation**

14 **SEC. 321. FEDERAL-STATE AGREEMENTS.**

15 (a) IN GENERAL.—Any State that is a qualified State
16 and that desires to do so may enter into and participate
17 in an agreement under this subtitle with the Secretary.
18 Any State that is a party to an agreement under this sub-
19 title may, upon providing 30 days’ written notice to the
20 Secretary, terminate such agreement.

21 (b) PROVISIONS OF AGREEMENT.—Any agreement
22 under subsection (a) shall provide that the State agency
23 of the State—

1 (1) will make payments of regular compensation
 2 in conformance with the requirements of section
 3 322; and

4 (2) will make payments of emergency extended
 5 unemployment compensation in conformance with
 6 the requirements of section 323.

7 (c) QUALIFIED STATE.—For purposes of this sub-
 8 title, the term “qualified State” means Alabama, Lou-
 9 isiana, and Mississippi.

10 **SEC. 322. REQUIREMENTS RELATING TO REGULAR COM-**
 11 **PENSATION.**

12 (a) IN GENERAL.—Any agreement under this subtitle
 13 shall provide that the State agency of the State will make
 14 payments of regular compensation to individuals in
 15 amounts and to the extent that they would be determined
 16 if the State law of such State were applied with the modi-
 17 fication described in subsection (b).

18 (b) MODIFICATION DESCRIBED.—

19 (1) ADDITIONAL AMOUNT.—In the case of an
 20 eligible individual, the amount of regular compensa-
 21 tion (including dependents’ allowances) payable for
 22 any week of unemployment to which such agreement
 23 applies shall be equal to the amount determined
 24 under the State law (before the application of this
 25 paragraph), plus an additional—

1 (A) 25 percent, or

2 (B) \$100,

3 whichever is greater.

4 (2) ELIGIBLE INDIVIDUAL.—For purposes of
5 this section, the term “eligible individual” means an
6 individual who—

7 (A) is receiving regular compensation
8 under the State law of the State that is a party
9 to the agreement; and

10 (B) at any time during the week before the
11 week that includes August 28, 2005, either held
12 employment in or resided in an area—

13 (i) that is within a qualified State;
14 and

15 (ii) for which the President has de-
16 clared a major disaster under the Robert
17 T. Stafford Disaster Relief and Emergency
18 Assistance Act (42 U.S.C. 5121 et seq.) as
19 a result of Hurricane Katrina.

20 (c) NONREDUCTION RULE.—Under the agreement,
21 subsection (b) shall not apply (or shall cease to apply) with
22 respect to a State upon a determination by the Secretary
23 that the method governing the computation of regular
24 compensation under the State law of such State has been
25 modified in a way such that—

1 (1) the average weekly amount of regular com-
 2 pensation which will be payable during the period of
 3 the agreement (determined disregarding the modi-
 4 fication described in subsection (b)) will be less than

5 (2) the average weekly amount of regular com-
 6 pensation which would otherwise have been payable
 7 during such period under such State law, as in effect
 8 on August 28, 2005.

9 (d) COORDINATION RULE.—The modification de-
 10 scribed in subsection (b) shall also apply in determining
 11 the amount of benefits payable under any Federal law, to
 12 any eligible individual, to the extent that those benefits
 13 are determined by reference to regular compensation pay-
 14 able under the State law of the State involved.

15 **SEC. 323. REQUIREMENTS RELATING TO EMERGENCY EX-**
 16 **TENDED UNEMPLOYMENT COMPENSATION.**

17 (a) IN GENERAL.—Any agreement under this subtitle
 18 shall provide that the State agency of the State will, for
 19 any weeks of unemployment to which such agreement ap-
 20 plies, make payments of emergency extended unemploy-
 21 ment compensation under this subtitle to individuals
 22 who—

23 (1) have exhausted all rights to regular com-
 24 pensation under the State law or under Federal law,

1 but only if exhaustion occurs upon or after the close
2 of the week that includes August 28, 2005;

3 (2) have no rights to regular compensation or
4 extended compensation with respect to a week under
5 such law or any other State unemployment com-
6 pensation law or to compensation under any other
7 Federal law;

8 (3) are not receiving compensation with respect
9 to such week under the unemployment compensation
10 law of any other country; and

11 (4) at any time during the week before the
12 week that includes August 28, 2005, either held em-
13 ployment in or resided in an area—

14 (A) that is within a qualified State; and

15 (B) for which the President has declared a
16 major disaster under the Robert T. Stafford
17 Disaster Relief and Emergency Assistance Act
18 (42 U.S.C. 5121 et seq.) as a result of Hurri-
19 cane Katrina.

20 (b) EXHAUSTION OF BENEFITS.—For purposes of
21 subsection (a)(1), an individual shall be deemed to have
22 exhausted such individual's rights to regular compensation
23 under a State law when—

24 (1) no payments of regular compensation can
25 be made under such law because such individual has

1 received all regular compensation available to such
2 individual based on employment or wages during
3 such individual's base period; or

4 (2) such individual's rights to such compensa-
5 tion have been terminated by reason of the expira-
6 tion of the benefit year with respect to which such
7 rights existed.

8 (c) WEEKLY BENEFIT AMOUNT, ETC.—For purposes
9 of any agreement under this subtitle—

10 (1) the amount of emergency extended unem-
11 ployment compensation which shall be payable to
12 any individual for any week of total unemployment
13 shall be equal to the amount of the regular com-
14 pensation (including dependents' allowances) payable
15 to such individual during such individual's benefit
16 year under the State law for a week of total unem-
17 ployment;

18 (2) the terms and conditions of the State law
19 which apply to claims for regular compensation and
20 to the payment thereof shall apply to claims for
21 emergency extended unemployment compensation
22 and to the payment thereof, except where otherwise
23 inconsistent with the provisions of this subtitle or
24 with the regulations or operating instructions of the
25 Secretary promulgated to carry out this subtitle; and

1 (3) the maximum amount of emergency ex-
2 tended unemployment compensation payable to any
3 individual for whom an emergency extended unem-
4 ployment compensation account is established under
5 subsection (d) shall not exceed the amount estab-
6 lished in such account for such individual.

7 (d) EMERGENCY EXTENDED UNEMPLOYMENT COM-
8 PENSATION ACCOUNTS.—

9 (1) IN GENERAL.—Any agreement under this
10 subtitle shall provide that the State will establish,
11 for each eligible individual who files an application
12 for emergency extended unemployment compensation
13 an emergency extended unemployment compensation
14 account with respect to such individual's benefit
15 year.

16 (2) AMOUNT IN ACCOUNT.—

17 (A) IN GENERAL.—The amount established
18 in an account under paragraph (1) shall be the
19 amount equal to 26 times the individual's aver-
20 age weekly benefit amount for the benefit year.

21 (B) WEEKLY BENEFIT AMOUNT.—For
22 purposes of this paragraph, an individual's av-
23 erage weekly benefit amount for any week is the
24 amount of regular compensation (including de-
25 pendents' allowances) under the State law pay-

1 able to such individual for such week for total
2 unemployment.

3 **SEC. 324. PAYMENTS TO STATES.**

4 (a) IN GENERAL.—There shall be paid to each State
5 which has entered into an agreement under this subtitle
6 the following:

7 (1) An amount equal to 100 percent of any ad-
8 ditional regular compensation made payable to indi-
9 viduals by such State by virtue of the modification
10 described in section 322(b) and deemed to be in ef-
11 fect with respect to such State pursuant to section
12 322(a).

13 (2) An amount equal to 100 percent of any
14 emergency extended unemployment compensation
15 paid to individuals by such State pursuant to such
16 agreement.

17 (3) An amount equal to 100 percent of any reg-
18 ular compensation, not otherwise reimbursable under
19 this section, paid by such State under the State law
20 of such State—

21 (A) to individuals whose unemployment
22 was a result of Hurricane Katrina (as deter-
23 mined under criteria established by the Sec-
24 retary); and

1 (B) for any weeks of unemployment to
2 which such agreement applies.

3 (b) DETERMINATION OF AMOUNT.—Sums payable
4 under this section to any State by reason of such State
5 having an agreement under this subtitle shall be payable,
6 either in advance or by way of reimbursement (as may
7 be determined by the Secretary), in such amounts as the
8 Secretary estimates the State will be entitled to receive
9 under this subtitle for each calendar month, reduced or
10 increased (as the case may be) by any amount by which
11 the Secretary finds that the Secretary's estimates for any
12 prior calendar month were greater or less than the
13 amounts which should have been paid to the State. Such
14 estimates may be made on the basis of such statistical,
15 sampling, or other method as may be agreed upon by the
16 Secretary and the State agency of the State involved.

17 **SEC. 325. FINANCING PROVISIONS.**

18 (a) IN GENERAL.—Funds in the extended unemploy-
19 ment compensation account and the Federal unemploy-
20 ment account of the Unemployment Trust Fund shall be
21 used, in accordance with succeeding provisions of this sec-
22 tion, for the making of payments to States having agree-
23 ments entered into under this subtitle.

24 (b) CERTIFICATION.—The Secretary shall from time
25 to time certify to the Secretary of the Treasury for pay-

1 ment to each State the sums payable to such State under
2 this subtitle. The Secretary of the Treasury, prior to audit
3 or settlement by the Government Accountability Office,
4 shall make payments to the State in accordance with such
5 certification—

6 (1) by transfers from the extended unemploy-
7 ment compensation account of the Unemployment
8 Trust Fund, to the extent that they relate to
9 amounts described in paragraph (1) or (2) of section
10 324(a); and

11 (2) by transfers from the Federal unemploy-
12 ment account of the Unemployment Trust Fund, to
13 the extent that they relate to amounts described in
14 section 324(a)(3).

15 **SEC. 326. DEFINITIONS.**

16 (a) IN GENERAL.—For purposes of this subtitle—

17 (1) the terms “Secretary”, “State”, “State
18 agency”, “State law”, “regular compensation”,
19 “week”, “benefit year”, and “base period” have the
20 respective meanings given such terms under section
21 205 of the Federal-State Extended Unemployment
22 Compensation Act of 1970;

23 (2) the terms “wages” and “employment” have
24 the respective meanings given such terms under sec-
25 tion 3306 of the Internal Revenue Code of 1986;

1 (3) the term “extended unemployment com-
2 pensation account” means the account established
3 by section 905(a) of the Social Security Act;

4 (4) the term “Federal unemployment account”
5 means the account established by section 904(g) of
6 the Social Security Act; and

7 (5) the term “Unemployment Trust Fund”
8 means the fund established by section 904(a) of the
9 Social Security Act.

10 (b) SPECIAL RULE.—Notwithstanding any provision
11 of subsection (a), in the case of a State entering into an
12 agreement under this subtitle—

13 (1) the term “State law” shall be considered to
14 refer to the State law of such State, applied in con-
15 formance with the modification described in section
16 322(b), subject to section 322(c); and

17 (2) the term “regular compensation” shall be
18 considered to refer to such compensation, deter-
19 mined under its State law (applied in the manner
20 described in paragraph (1)),

21 except as otherwise provided or where the context clearly
22 indicates otherwise.

23 **SEC. 327. APPLICABILITY.**

24 An agreement entered into under this subtitle shall
25 apply to weeks of unemployment—

1 (1) beginning on or after the first day of the
2 week that includes August 28, 2005; and

3 (2) ending before September 1, 2006.

4 **Subtitle D—Health Insurance**
5 **Coverage**

6 **SEC. 331. TEMPORARY EMERGENCY HEALTH COVERAGE**

7 **ASSISTANCE FOR BUSINESSES AND INDIVID-**
8 **UALS.**

9 (a) IN GENERAL.—The Secretary of Health and
10 Human Services (referred to in this section as the “Sec-
11 retary”), in consultation with the insurance commissioners
12 of those States contained in whole or in part in the Hurri-
13 cane Katrina disaster area, shall establish a program to
14 provide emergency health coverage continuation relief
15 through the provision of direct payments of health insur-
16 ance premiums or continuation assistance on behalf of eli-
17 gible businesses and their employees and purchasers of in-
18 dividual health insurance coverage.

19 (b) DEFINITIONS.—In this section:

20 (1) ELIGIBLE INDIVIDUALS.—The term “eligi-
21 ble individual” means an individual (and the family
22 dependents of such individual as may be covered
23 under the health insurance coverage in which such
24 individual is enrolled)—

1 (A) who is a citizen, national, or qualified
2 alien as defined in section 431(b) of the Per-
3 sonal Responsibility and Work Opportunity
4 Reconciliation Act of 1996 (8 U.S.C. 1641(b));

5 (B) whose permanent residence as of Au-
6 gust 28, 2005 was located in a Hurricane
7 Katrina disaster area;

8 (C) who was covered under individual
9 (nongroup) health insurance coverage, including
10 a policy operated pursuant to a qualified high
11 risk pool (as defined in section 2744 of the
12 Public Health Service Act (42 U.S.C. 300gg-
13 44)), on August 28, 2005; and

14 (D) whose ability to continue such cov-
15 erage was severely impaired as a result of hur-
16 ricane-related disruption in a Hurricane
17 Katrina disaster area.

18 (2) ELIGIBLE BUSINESSES.—The term “eligible
19 business” means a corporation, sole proprietorship,
20 or partnership that employs not more than 50 em-
21 ployees and that—

22 (A) operated as of August 28, 2005 in a
23 Hurricane Katrina disaster area;

24 (B) offered coverage under a group health
25 plan (as defined in section 733(a)(1) of the

1 Employee Retirement Income Security Act of
2 1974 (29 U.S.C. 1191b(a)(1))) on August 28,
3 2005 to employees in a Hurricane Katrina dis-
4 aster area; and

5 (C) had its ability to continue coverage
6 under such plan severely impaired as a result of
7 disruption of the sponsor's business activity in
8 the Hurricane Katrina disaster area.

9 (3) CONTINUATION ASSISTANCE.—The term
10 “continuation assistance” means, in the case of an
11 eligible business that offers health insurance cov-
12 erage under a self-insured arrangement, assistance
13 in paying administrative services fees, claims costs,
14 stop-loss premiums, and any amounts required to be
15 paid by employees to participate in the arrangement.

16 (4) HURRICANE KATRINA DISASTER AREA.—
17 The term “Hurricane Katrina disaster area” means
18 a parish in the State of Louisiana, a county in the
19 State of Mississippi, or a county in the State of Ala-
20 bama, for which a major disaster has been declared
21 in accordance with section 401 of the Robert T.
22 Stafford Disaster Relief and Emergency Assistance
23 Act (42 U.S.C. 5170) as a result of Hurricane
24 Katrina and which the President has determined,
25 before September 11, 2005, warrants both individual

1 and public assistance from the Federal Government
2 under such Act.

3 (c) HEALTH COVERAGE CONTINUATION RELIEF.—

4 (1) IN GENERAL.—The Secretary shall design
5 and implement the program under subsection (a) in
6 a manner that enables eligible individuals and eligi-
7 ble businesses to be eligible for direct premium reim-
8 bursement or continuation assistance to be paid by
9 the Secretary on behalf of such individual or busi-
10 ness directly to the health insurance issuer or ad-
11 ministrative services provider involved. In the case of
12 an eligible business, premium reimbursement shall
13 include the premium shares of both the employer
14 and employees, as applicable.

15 (2) LIMITATION.—Subject to paragraph (3), in
16 no case shall the value of the assistance provided
17 under the program under this section, with respect
18 to an individual or business, exceed 100 percent of
19 the applicable premium for coverage or continuation
20 assistance for the period of coverage involved, in-
21 cluding, with respect to employer coverage, the em-
22 ployer and employees' share of premiums, if applica-
23 ble.

24 (3) ENROLLMENT.—

1 (A) IN GENERAL.—The Secretary shall es-
2 tablish an expedited process for the enrollment
3 of eligible individuals and eligible businesses in
4 the program under this section.

5 (B) DUTY OF SECRETARY UPON RECEIPT
6 OF NOTICE.—The Secretary, upon receipt of a
7 notice under subsection (f)(2), shall enroll the
8 eligible individual or eligible business involved
9 in the program under this section.

10 (C) DUTY OF ISSUER.—A group health
11 plan, or health insurance insurer with respect
12 to such a plan, shall make a reasonable effort
13 to notify an eligible individual or eligible busi-
14 ness—

15 (i) of the automatic enrollment of
16 such individual or business in the program
17 under subparagraph (B);

18 (ii) that, if it is later determined that
19 the means of support of such individual, or
20 the ability of such business to continue
21 health insurance coverage, was not severely
22 disrupted (as determined subject to a ran-
23 domized retrospective audit process), such
24 individual or business may be required at
25 a later date to repay the program for the

1 amount of premiums or continuation as-
2 sistance paid on its behalf; and

3 (iii) that such individual or business
4 may elect to decline enrollment, or cancel
5 enrollment, in the program by notifying
6 the health insurance issuer or administra-
7 tive service provider involved.

8 (d) RETROSPECTIVE AUDIT AUTHORITY.—

9 (1) IN GENERAL.—The Secretary shall provide
10 for the application of a randomized retrospective au-
11 diting process to the program under this section by
12 a date that is not earlier than December 1, 2005.

13 (2) REPAYMENT OF FUNDS.—If the Secretary
14 determines, pursuant to the audit process under
15 paragraph (1), that an individual or business that
16 was enrolled in the program under this section did
17 not meet the disruption or other eligibility require-
18 ments provided for in paragraph (1) or (2) of sub-
19 section (b), the Secretary shall seek the repayment
20 of funds paid on behalf of such individual or busi-
21 ness. Such repayments shall be made with no inter-
22 est or late penalty to accrue prior to the commence-
23 ment of a repayment period which shall begin not
24 earlier than the date that is 3 months after the date

1 on which a determination and notice of noneligibility
2 is provided.

3 (3) NO DOUBLE PAYMENTS.—The Secretary
4 shall take appropriate actions to ensure that health
5 insurance issuers do not retain double payments in
6 instances where businesses or individuals pay pre-
7 miums for any period for which payments have al-
8 ready been made under the program under this sec-
9 tion.

10 (e) EMERGENCY PERIOD.—Payments under the pro-
11 gram under this section shall be made only for premiums
12 due during the period beginning on August 28, 2005 and
13 expiring 12 months after such date. Prior to the expiration
14 of such period, the Secretary may make recommendations
15 to Congress regarding any reasonably determined need to
16 extend such emergency period.

17 (f) NONCANCELLATION OF HEALTH INSURANCE
18 COVERAGE.—

19 (1) IN GENERAL.—During the 12-month emer-
20 gency period described in subsection (e), health in-
21 surance issuers that accept payments under the pro-
22 gram under this section shall be prohibited from
23 canceling or terminating health insurance coverage
24 or, in the case of administrative services providers,
25 refusing to process claims under a self-insured ar-

1 rangement. Such health insurance issuers and ad-
2 ministrative service providers shall be prohibited
3 during such period from increasing any amounts due
4 pursuant to such coverage or arrangements that
5 were not previously scheduled pursuant to a contract
6 prior to August 28, 2005.

7 (2) NOTIFICATION.—To be eligible to receive
8 payments under ths program under this section, a
9 health insurance issuer or administrative services
10 provider shall notify the Secretary—

11 (A) not earlier than 61 days following the
12 nonpayment of a scheduled premium payment
13 from an individual or business policyholder in a
14 Hurricane Katrina disaster area, of the fact of
15 such nonpayment (or nonreimbursement of
16 claims under a self-insured arrangement); or

17 (B) following a communication to the
18 health insurance insurer or administrative serv-
19 ice provider by an individual or business reason-
20 ably indicating eligibility for assistance under
21 such program, of the fact of such communica-
22 tion.

23 (g) EXPEDITED RULEMAKING.—The Secretary shall
24 utilize expedited rulemaking procedures to carry out this
25 section.

1 (h) AUTHORIZATION OF APPROPRIATIONS.—There is
 2 authorized to be appropriated to carry out this section
 3 \$1,000,000,000 for fiscal year 2006.

4 **SEC. 332. AUTHORITY TO POSTPONE CERTAIN DEADLINES**
 5 **RELATED TO INDIVIDUAL HEALTH COV-**
 6 **ERAGE BY REASON OF PRESIDENTIALLY DE-**
 7 **CLARED DISASTER OR TERRORISTIC OR**
 8 **MILITARY ACTION.**

9 (a) IN GENERAL.—Title XXVII of the Public Health
 10 Service Act (42 U.S.C. 300gg et seq.) is amended by add-
 11 ing at the end the following:

12 **“SEC. 2793. AUTHORITY TO POSTPONE CERTAIN DEAD-**
 13 **LINES BY REASON OF PRESIDENTIALLY DE-**
 14 **CLARED DISASTER OR TERRORISTIC OR**
 15 **MILITARY ACTION.**

16 “In the case of a plan offered through the individual
 17 market, or any health insurance issuer, participant, bene-
 18 ficiary, or other person with respect to such plan, affected
 19 by a Presidentially declared disaster (as defined in section
 20 1033(h)(3) of the Internal Revenue Code of 1986) or a
 21 terrorist or military action (as defined in section 692(c)(2)
 22 of such Code), the Secretary may, notwithstanding any
 23 other provision of law, prescribe, by notice or otherwise,
 24 a period of up to 1 year which may be disregarded in de-
 25 termining the date by which any action is required or per-

mitted to be completed under this title. No plan shall be treated as failing to be operated in accordance with the terms of the plan solely as a result of disregarding any period by reason of the preceding sentence.”.

(b) APPLICATION OF AMENDMENT.—The Secretary of Health and Human Services shall implement the amendment made by subsection (a) in the same manner in which the Secretary of Labor implements section 518 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1148) with respect to group health plans.

TITLE IV—HOUSING AND COMMUNITY REBUILDING

SEC. 401. DEFINITIONS.

For purposes of this title, the following definitions shall apply:

(1) AFFECTED FAMILY.—The term “affected family” means an individual or family that meets the following requirements:

(A) The individual or family resided, on August 25, 2005, in any area for which the President declared a major disaster or emergency under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act in connection with Hurricane Katrina of 2005.

1 (B) The residence of the individual or fam-
2 ily became uninhabitable or inaccessible as a re-
3 sult of such major disaster or emergency.

4 (2) SECRETARY.—The term “Secretary” means
5 the Secretary of Housing and Urban Development.

6 **SEC. 402. PUBLIC HOUSING CAPITAL FUND RESERVES FOR**
7 **EMERGENCIES AND NATURAL DISASTERS.**

8 (a) AVAILABILITY OF FUNDS SET-ASIDE IN PRE-
9 VIOUS YEARS.—Notwithstanding any other provision of
10 law, any amounts set aside in fiscal years 2003, 2004, and
11 2005 for use under section 9(k) of the United States
12 Housing Act of 1937 (42 U.S.C. 1437g(k)) and remaining
13 unobligated on the date of the enactment of this Act shall
14 be available for use under such section (not including
15 paragraph (4) of such section) for emergencies and other
16 disasters occurring in fiscal year 2005, and shall remain
17 available until expended.

18 (b) AUTHORIZATION OF APPROPRIATIONS.—In addi-
19 tion to any other amounts authorized to be appropriated
20 under other provisions of law, there is authorized to be
21 appropriated for fiscal year 2006 for use under section
22 9(k) of the United States Housing Act of 1937 (42 U.S.C.
23 1437g(k)), \$100,000,000, to remain available until ex-
24 pended. Any amounts made available pursuant to this sub-
25 section funds shall be used only for activities conducted

1 in any area for which the President declared a major dis-
2 aster or emergency under title IV of the Robert T. Staf-
3 ford Disaster Relief and Emergency Assistance Act in con-
4 nection with Hurricane Katrina.

5 **SEC. 403. HOPE VI PROGRAM.**

6 In addition to any other amounts authorized to be
7 appropriated under other provisions of law, there is au-
8 thorized to be appropriated for fiscal year 2006 for grants
9 to public housing agencies for demolition, site revitaliza-
10 tion, replacement housing, and tenant-based assistance
11 grants to projects, as authorized under section 24 of the
12 United States Housing Act of 1937 (42 U.S.C. 1437v),
13 \$100,000,000, to remain available until expended. Any
14 amounts made available pursuant to this section shall be
15 used only for such activities conducted in any area for
16 which the President declared a major disaster or emer-
17 gency under title IV of the Robert T. Stafford Disaster
18 Relief and Emergency Assistance Act in connection with
19 Hurricane Katrina.

20 **SEC. 404. HOME INVESTMENT PARTNERSHIPS PROGRAM.**

21 In addition to any other amounts authorized to be
22 appropriated under other provisions of law, there is au-
23 thorized to be appropriated for fiscal year 2006 to carry
24 out the HOME Investment Partnership Program, as au-
25 thorized under title II of the Cranston-Gonzalez National

1 Affordable Housing Act (42 U.S.C. 12721 et seq.),
2 \$1,000,000,000, to remain available until expended. Any
3 amounts made available pursuant to this section shall be
4 used only for affordable housing activities conducted in
5 any area for which the President declared a major disaster
6 or emergency under title IV of the Robert T. Stafford Dis-
7 aster Relief and Emergency Assistance Act in connection
8 with Hurricane Katrina.

9 **SEC. 405. COMMUNITY DEVELOPMENT BLOCK GRANT AS-**
10 **SISTANCE.**

11 (a) AUTHORIZATION OF APPROPRIATIONS.—In addi-
12 tion to any other amounts authorized to be appropriated
13 under other provisions of law, there is authorized to be
14 appropriated for fiscal year 2006 for activities authorized
15 under title I of the Housing and Community Development
16 Act of 1974 (42 U.S.C. 5301 et seq.), \$1,000,000,00, to
17 remain available until expended.

18 (b) USE.—

19 (1) IN GENERAL.—Any amounts made available
20 pursuant to this section shall be used only for dis-
21 aster relief, long-term recovery, and mitigation in
22 communities in any area for which the President de-
23 clared a major disaster or emergency under title IV
24 of the Robert T. Stafford Disaster Relief and Emer-
25 gency Assistance Act in connection with Hurricane

1 Katrina, except those activities reimbursable by the
2 Federal Emergency Management Agency or avail-
3 able through the Small Business Administration.

4 (2) PROJECTS IN PROGRESS.—In the case of
5 any project or activity in an area described in para-
6 graph (1) that was underway before the Presidential
7 declaration with respect to such area, the project or
8 activity may not be provided any amounts made
9 available under this section unless the disaster or
10 emergency for which such declaration was made di-
11 rectly impacted the project.

12 (c) ALLOCATION.—Subject to subsection (d), any
13 amounts made available pursuant to this section shall be
14 awarded by the Secretary of Housing and Urban Develop-
15 ment to States (including Indian tribes for all purposes
16 under this section) to be administered by each State in
17 conjunction with its community development block grants
18 program. Notwithstanding paragraph (2) of section
19 106(d) of the Housing and Community Development Act
20 of 1974, States may provide assistance with amounts
21 made available under this section to entitlement commu-
22 nities.

23 (d) SUPPLEMENTATION REQUIREMENT.—Each State
24 shall provide not less than 10 percent in non-Federal pub-
25 lic matching funds or its equivalent value (other than ad-

1 ministrative costs) for any funds allocated to the State
2 under this section.

3 (e) WAIVER.—

4 (1) AUTHORITY.—In administering any
5 amounts made available under this section, the Sec-
6 retary may waive, or specify alternative require-
7 ments for, any provision of any statute or regulation
8 that the Secretary administers in connection with
9 the obligation by the Secretary or the use by the re-
10 cipient of such amounts (except for requirements re-
11 lated to fair housing, nondiscrimination, labor stand-
12 ards, and the environment), upon a finding that
13 such waiver is required to facilitate the use of such
14 amounts, and would not be inconsistent with the
15 overall purpose of the statute. The Secretary may
16 waive the requirements that activities benefit per-
17 sons of low and moderate income, except that at
18 least 50 percent of the amounts made available
19 under this section shall benefit primarily persons of
20 low and moderate income unless the Secretary
21 makes a finding of compelling need.

22 (2) PUBLICATION.—The Secretary shall publish
23 in the Federal Register any waiver of any statute or
24 regulation authorized under this subsection no later
25 than 5 days before the effective date of such waiver.

1 **SEC. 406. CDBG LOAN GUARANTEE PROGRAM.**

2 In addition to any other amounts authorized to be
3 appropriated under other provisions of law, there is au-
4 thorized to be appropriated for fiscal year 2006 for costs
5 (as such term is defined in section 502 of the Federal
6 Credit Reform Act of 1990 (2 U.S.C. 661a) of guarantees
7 under section 108 of the Housing and Community Devel-
8 opment Act of 1974 (42 U.S.C. 5308), \$10,000,000, to
9 remain available until expended. Any amounts made avail-
10 able pursuant to this section shall be used only for guaran-
11 tees for obligations of eligible public entities for financing
12 activities conducted in any area for which the President
13 declared a major disaster or emergency under title IV of
14 the Robert T. Stafford Disaster Relief and Emergency As-
15 sistance Act in connection with Hurricane Katrina.

16 **SEC. 407. YOUTHBUILD PROGRAM.**

17 In addition to any other amounts authorized to be
18 appropriated under other provisions of law, there is au-
19 thorized to be appropriated for fiscal year 2006 to carry
20 out Subtitle D of title IV of the Cranston-Gonzalez Na-
21 tional Affordable Housing Act (42 U.S.C. 12899et seq.),
22 \$200,000,000, to remain available until expended. Any
23 amounts made available pursuant to this section shall be
24 used only for Youthbuild programs carried out in any area
25 for which the President declared a major disaster or emer-
26 gency under title IV of the Robert T. Stafford Disaster

1 Relief and Emergency Assistance Act in connection with
2 Hurricane Katrina.

3 **SEC. 408. CAPACITY BUILDING FOR COMMUNITY DEVELOP-**
4 **MENT AND AFFORDABLE HOUSING.**

5 In addition to any other amounts authorized to be
6 appropriated under other provisions of law, there is au-
7 thorized to be appropriated for fiscal year 2006 to carry
8 out section 4 of the HUD Demonstration Act of 1993 (42
9 U.S.C. 9816 note), \$4,500,000, to remain available until
10 expended. Any amounts made available pursuant to this
11 section shall be used only for capacity-building activities
12 for community development corporations or community
13 housing development organizations undertaking commu-
14 nity development or affordable housing activities in any
15 area for which the President declared a major disaster or
16 emergency under title IV of the Robert T. Stafford Dis-
17 aster Relief and Emergency Assistance Act in connection
18 with Hurricane Katrina.

19 **SEC. 409. EMERGENCY RENTAL ASSISTANCE VOUCHERS.**

20 (a) IN GENERAL.—There is authorized to be appro-
21 priated to the Secretary \$3,500,000,000 for the Secretary
22 to provide 300,000 incremental vouchers for tenant-based
23 rental housing assistance under section 8(o) of the United
24 States Housing Act of 1937 (42 U.S.C. 1437f(o)).

1 (b) FAMILY ELIGIBILITY.—Tenant-based assistance
2 pursuant to subsection (a) may be provided only on behalf
3 of an affected family that is otherwise eligible for assist-
4 ance under such section 8(o). However, the Secretary and
5 the Federal Emergency Management Agency shall permit
6 such recipients to accept additional assistance to cover the
7 costs of utilities and for other purposes from private or
8 not-for-profit groups, without affecting their eligibility.

9 (c) ADMINISTRATION.—Notwithstanding any other
10 provision of law, the Secretary shall provide that voucher
11 assistance provided under this section may be adminis-
12 tered by faith-based organizations and community devel-
13 opment corporations that have access to dwelling units in
14 connection with which such voucher assistance may be
15 used.

16 **SEC. 410. PROHIBITION OF PLACEMENT OF FAMILIES IN**
17 **SUBSTANDARD DWELLING UNITS.**

18 Notwithstanding any other provision of law, no finan-
19 cial assistance may be provided in any form by any agency
20 of the Federal Government to provide a temporary or per-
21 manent residence for an affected family that is uninhabit-
22 able and unless the dwelling unit complies with the hous-
23 ing quality standards established pursuant to section
24 8(o)(8)(B) of the United States Housing Act of 1937 (42
25 U.S.C. 1437f(o)(8)(B)).

1 **SEC. 411. FAIR HOUSING ENFORCEMENT.**

2 (a) **AUTHORIZATION OF APPROPRIATIONS.**—In addi-
3 tion to any other amounts authorized to be appropriated
4 under other provisions of law, there is authorized to be
5 appropriated for fiscal year 2006 \$10,000,000 for activi-
6 ties under section 561 of the Housing and Community De-
7 velopment Act of 1987 (42 U.S.C. 3616a).

8 (b) **SCOPE OF USE.**—Any amounts made available
9 pursuant to this section shall be used for activities under
10 such section 561 carried out in States affected by Hurri-
11 cane Katrina or States that the Secretary determines have
12 a substantial number of persons who relocated to such
13 State as a result of displacement caused by such hurri-
14 canes.

15 (c) **ELIGIBLE ACTIVITIES.**—Amounts made available
16 under this section may be used by the Secretary for costs
17 to the Department of Housing and Urban Development
18 of hiring and training individuals who are members of af-
19 fected families or who are unemployed as a result of the
20 elimination of a previous employment position due to Hur-
21 ricane Katrina, to serve in regional offices of the Depart-
22 ment located in States described in subsection (b) and con-
23 duct activities under such section 561.

1 **SEC. 412. HOUSING COUNSELING FOR FAMILIES IN TEM-**
2 **PORARY SHELTERS.**

3 (a) AUTHORIZATION OF APPROPRIATIONS.—In addi-
4 tion to any other amounts authorized to be appropriated
5 under other provisions of law, there is authorized to be
6 appropriated for fiscal year 2006 \$10,000,000 for assist-
7 ance under section 106 of the Housing and Urban Devel-
8 opment Act of 1968 (12 U.S.C. 1701x).

9 (b) ELIGIBLE USE.—Any amounts made available
10 pursuant to this section shall be used for activities under
11 such section 106 to assist affected families living in tem-
12 porary shelters or other temporary housing situations to
13 obtain a permanent residence.

14 **SEC. 413. AVAILABILITY OF HUD INVENTORY PROPERTIES.**

15 (a) IN GENERAL.—Notwithstanding any other provi-
16 sion of law, the Secretary shall make covered properties
17 available for occupancy by eligible families, as provided in
18 this section.

19 (b) 6-MONTH RESERVATION FOR USE ONLY BY ELI-
20 GIBLE FAMILIES.—

21 (1) REQUIREMENT TO OFFER ONLY TO ELIGI-
22 BLE FAMILIES.—During the 6-month period begin-
23 ning on the date of the enactment of this Act, the
24 Secretary may not dispose of any covered property
25 under any provision of law other than this Act and
26 may not offer, or enter into any agreement for dis-

1 position of, a covered property under any other such
2 provision.

3 (2) REQUEST AND OCCUPANCY.—If, during the
4 period referred to in paragraph (1), an eligible fam-
5 ily makes a request, in such form as the Secretary
6 may require, to occupy a covered property, the Sec-
7 retary shall, in accordance with the selection criteria
8 established pursuant to subsection (d), make the
9 covered property available to the eligible family for
10 occupancy in accordance with the terms under sub-
11 section (e).

12 (c) CONTINUED AVAILABILITY.—

13 (1) AVAILABILITY FOR ELIGIBLE FAMILIES.—
14 During the 18-month period that begins upon the
15 conclusion of the period under subsection (b)(1), the
16 Secretary shall offer each covered property for occu-
17 pancy by affected families, but, except as provided in
18 paragraph (2) of this subsection, may dispose of cov-
19 ered properties under other applicable provisions of
20 law and may offer and enter into agreements for dis-
21 position of covered properties under such other pro-
22 visions.

23 (2) REQUEST AND OCCUPANCY.—If, during the
24 period referred to in paragraph (1), an eligible fam-
25 ily makes a request, in such form as the Secretary

1 may require, to occupy a covered property for which
2 the Secretary has not entered into any agreement
3 for disposition under any other provision of law, the
4 Secretary shall, in accordance with the selection cri-
5 teria established pursuant to subsection (d), make
6 the covered property available to the eligible family
7 for occupancy in accordance with the terms under
8 subsection (e).

9 (d) SELECTION CRITERIA.—The Secretary shall es-
10 establish criteria to select an eligible family to occupy a cov-
11 ered property for which more than one family has sub-
12 mitted such a request. Such criteria shall provide pref-
13 erence for eligible families having incomes not exceeding
14 the median income for the area in which the primary resi-
15 dence of the family referred to in subsection (g)(2) was
16 located.

17 (e) OCCUPANCY TERMS.—Occupancy in a covered
18 property pursuant to this section shall be subject to the
19 following terms:

20 (1) 5-YEARS RENT-FREE.—The eligible family
21 may reside in the property under the terms of a
22 lease (or renewable leases) which shall provide for
23 rent-free occupancy, but which in no case may ex-
24 tend beyond the expiration of the 5-year period be-

1 ginning upon initial occupancy of the property by
2 the family.

3 (2) OPTION TO PURCHASE.—At any time dur-
4 ing the occupancy of a covered property by an eligi-
5 ble family pursuant to paragraph (1), the eligible
6 family may purchase the property from the Sec-
7 retary at price equal to the lesser of—

8 (A) the fair market value of the property
9 as of the time of initial occupancy by such fam-
10 ily, as determined by the Secretary, or

11 (B) the fair market value of the property
12 as of the time of such purchase, as determined
13 by the Secretary, less the cost of any repairs or
14 improvements made by the family during occu-
15 pancy of the property.

16 The Secretary shall periodically inform each eligible
17 family occupying a covered property of the avail-
18 ability of the property for purchase under this para-
19 graph.

20 (f) OUTREACH.—The Secretary shall take such ac-
21 tions as may be appropriate to inform eligible families of
22 the availability of covered properties pursuant to this sec-
23 tion.

24 (g) DEFINITIONS.—For purposes of this section, the
25 following definitions shall apply:

1 (1) COVERED PROPERTY.—The term “covered
2 property” means any property that—

3 (A) is designed as a dwelling for occupancy
4 by one to four families;

5 (B) was previously subject to a mortgage
6 insured under the National Housing Act; and

7 (C) is owned by the Secretary pursuant to
8 the payment of insurance benefits under such
9 Act.

10 (2) ELIGIBLE FAMILY.—The term “eligible
11 family” means a person or household whose primary
12 residence, as of August 29, 2005—

13 (A) was located in an area within which
14 the President declared, under the Robert T.
15 Stafford Disaster Assistance and Emergency
16 Relief Act, a major disaster to have occurred
17 pursuant to Hurricane Katrina; and

18 (B) was, as a result of Hurricane Katrina,
19 destroyed or damaged to such an extent that
20 the residence is not habitable.

21 **SEC. 414. HURRICANE KATRINA MORTGAGE PROTECTION**
22 **FUND.**

23 (a) IN GENERAL.—The Secretary, in consultation
24 with the Federal banking agencies and the appropriate
25 State bank supervisors of those States contained in whole

1 or in part in the Hurricane Katrina disaster area, shall
2 establish a program to provide emergency mortgage assist-
3 ance through the provision of direct mortgage payments
4 on behalf of eligible individuals.

5 (b) DEFINITIONS.—For purposes of this section, the
6 following definitions shall apply:

7 (1) CONSUMER MORTGAGE.—The term “con-
8 sumer mortgage” means any consumer credit trans-
9 action (as defined in section 103 of the Truth in
10 Lending Act) in which a security interest, including
11 any such interest arising by operation of law, is re-
12 tained or acquired in any property which is used as
13 the principal dwelling of the person to whom credit
14 is extended.

15 (2) CONSUMER MORTGAGE PAYMENT.—The
16 term “consumer mortgage payment” means the
17 scheduled payment on a consumer mortgage for
18 principal, interest, and any scheduled deposit in an
19 escrow account for the purpose of assuring payment
20 of taxes, insurance, or other charges with respect to
21 the property securing such consumer mortgage.

22 (3) ELIGIBLE INDIVIDUAL.—The term “eligible
23 individual” means an individual—

24 (A) who is a citizen, national, or qualified
25 alien as defined in section 431(b) of the Per-

1 sonal Responsibility and Work Opportunity
2 Reconciliation Act of 1996 (8 U.S.C. 1641(b));

3 (B) whose permanent residence as of Au-
4 gust 28, 2005 was located in a Hurricane
5 Katrina disaster area;

6 (C) who was a mortgagor on a consumer
7 mortgage that was entered into before August
8 28, 2005; and

9 (D) whose ability to continue meeting the
10 consumer mortgage payment obligations under
11 the consumer mortgage was severely impaired
12 as a result of hurricane-related disruption in a
13 Hurricane Katrina disaster area.

14 (4) FEDERAL BANKING AGENCY AND STATE
15 BANK SUPERVISOR.—The terms “Federal banking
16 agency” and “State bank supervisors” have the
17 meaning given such terms in section 3 of the Fed-
18 eral Deposit Insurance Act.

19 (5) HURRICANE KATRINA DISASTER AREA.—
20 The term “Hurricane Katrina disaster area” means
21 a parish in the State of Louisiana, a county in the
22 State of Mississippi, or a county in the State of Ala-
23 bama, for which a major disaster has been declared
24 in accordance with section 401 of the Robert T.
25 Stafford Disaster Relief and Emergency Assistance

1 Act (42 U.S.C. 5170) as a result of Hurricane
2 Katrina and which the President has determined,
3 before September 11, 2005, warrants both individual
4 and public assistance from the Federal Government
5 under such Act.

6 (6) SERVICER.—The term “servicer”, with re-
7 spect to a consumer mortgage, has the same mean-
8 ing as in section 6(i) of the Real Estate Settlement
9 Procedures Act of 1974.

10 (c) MORTGAGE PAYMENT RELIEF.—

11 (1) IN GENERAL.—The Secretary shall design
12 and implement the program under subsection (a) in
13 a manner that enables eligible individuals to obtain
14 assistance with respect to a consumer mortgage to
15 be paid by the Secretary on behalf of such individual
16 directly to the consumer mortgage servicer.

17 (2) LIMITATION.—Subject to paragraph (3), in
18 no case shall the value of the assistance provided
19 under the program under this section, in the case of
20 any eligible individual, exceed 100 percent of the
21 total amount of consumer mortgage payments due
22 during such period with respect to such individual.

23 (3) ENROLLMENT.—

24 (A) IN GENERAL.—The Secretary shall es-
25 tablish an expedited process for the enrollment

1 of eligible individuals in the program under this
2 section.

3 (B) DUTY OF SECRETARY UPON RECEIPT
4 OF NOTICE.—The Secretary, upon receipt of a
5 notice under subsection (f)(1), shall enroll the
6 eligible individual involved in the program
7 under this section subject to such verification
8 procedures as the Secretary may determine to
9 be appropriate, consistently with the purposes
10 of this section.

11 (C) DUTY OF ISSUER.—A consumer mort-
12 gage servicer shall make a reasonable effort to
13 notify an eligible individual—

14 (i) of the automatic enrollment of
15 such individual in the program under sub-
16 paragraph (B);

17 (ii) that, if it is later determined that
18 the ability to continue meeting the con-
19 sumer mortgage payment obligations of
20 such individual under the consumer mort-
21 gage was not severely impaired as a result
22 of hurricane-related disruption in a Hurri-
23 cane Katrina disaster area (as determined
24 subject to a randomized retrospective audit
25 process or otherwise), such individual may

1 be required at a later date to repay the
2 program for the total amount of consumer
3 mortgage payments made by the Secretary
4 on behalf of such individual; and

5 (iii) that such individual may elect to
6 decline enrollment, or cancel enrollment, in
7 the program by notifying the consumer
8 mortgage servicer involved.

9 (d) RETROSPECTIVE AUDIT AUTHORITY.—

10 (1) IN GENERAL.—The Secretary shall provide
11 for the application of a randomized retrospective au-
12 diting process to the program under this section by
13 a date that is not earlier than November 1, 2005.

14 (2) REPAYMENT OF FUNDS.—

15 (A) ACTION BY SECRETARY.—If the Sec-
16 retary determines, pursuant to the audit proc-
17 ess under paragraph (1), that an individual
18 that was enrolled in the program under this
19 section did not meet the eligibility requirements
20 provided for in subsection (b), the Secretary
21 shall seek the repayment of funds paid on be-
22 half of such individual.

23 (B) TERMS OF REPAYMENT.—Any repay-
24 ment pursuant to subparagraph (A) shall be
25 made with no interest or late penalty to accrue

1 prior to the commencement of a repayment pe-
2 riod which shall begin not earlier than the date
3 that is 3 months after the date on which a de-
4 termination and notice of noneligibility is pro-
5 vided.

6 (3) NO DOUBLE PAYMENTS.—The Secretary
7 shall take appropriate actions to ensure that con-
8 sumer mortgage servicers do not retain double pay-
9 ments in instances where individuals make payments
10 on a consumer mortgage for any period for which
11 payments have already been made under the pro-
12 gram under this section.

13 (e) EMERGENCY PERIOD.—Payments under the pro-
14 gram under this section shall be made only for consumer
15 mortgage payments due during the 1-year period begin-
16 ning on August 28, 2005.

17 (f) NOTICE AND PROHIBITED ACTIONS.—

18 (1) NOTIFICATION.—To be eligible to receive
19 payments under the program under this section, a
20 consumer mortgage servicer shall notify the Sec-
21 retary—

22 (A) not earlier than 31 days following the
23 nonpayment of a scheduled consumer mortgage
24 payment from an individual in a Hurricane

1 Katrina disaster area, of the fact of such non-
2 payment; or

3 (B) following a communication to the con-
4 sumer mortgage servicer by an individual rea-
5 sonably indicating eligibility for assistance
6 under such program, of the fact of such com-
7 munication.

8 (2) PROHIBITED ACTIONS.—During the 1-year
9 emergency period described in subsection (e), a con-
10 sumer mortgage servicer who accept payments under
11 the program under this section with respect to any
12 consumer mortgage, and any person who makes or
13 holds such consumer mortgage (if other than the
14 servicer), may not—

15 (A) accelerate the maturity of or com-
16 mence any legal action regarding such a mort-
17 gage (including mortgage foreclosure to recover
18 under such obligation) or take possession of any
19 security of the mortgagor for such consumer
20 mortgage obligation; or

21 (B) increase the annual percentage rate of
22 interest with respect to such consumer mort-
23 gage or impose any other fees or charges with
24 respect to such consumer mortgage.

1 (g) EXPEDITED RULEMAKING.—The Secretary shall
2 utilize expedited rulemaking procedures to carry out this
3 section.

4 (h) AUTHORIZATION OF APPROPRIATIONS.—There is
5 authorized to be appropriated such sums as may be nec-
6 essary for fiscal year 2006 to carry out the purposes of
7 this section.

8 **SEC. 415. HOUSING PRIORITY FOR MILITARY PERSONNEL.**

9 (a) PRIORITY.—During the 12-month period begin-
10 ning on the date of the enactment of this Act, priority
11 shall be given, under any covered housing program, to pro-
12 viding assistance under the program on behalf of any
13 member of the Armed Forces (and on behalf of the mem-
14 bers of the household of such member) that is an affected
15 family and who has served, or is serving, on active duty
16 in Iraq during Operation Iraqi Freedom or in Afghanistan
17 during Operation Enduring Freedom. Such priority shall
18 be afforded without respect to whether the member of the
19 Armed Forces is on such active duty or not.

20 (b) COVERED HOUSING PROGRAMS.—For purposes
21 of this section, a covered housing program is—

22 (1) a program of the Federal Emergency Man-
23 agement Agency or any other agency of the Federal
24 Government that provides housing or housing assist-
25 ance; or

(2) a program of any agency of any State or local government, or of any nongovernmental organization, that—

(A) provides housing or housing assistance;

and

(B) is funded, in whole or in part, with any amounts from the Federal Government.

TITLE V—EDUCATION PROVISIONS

Subtitle A—General Provisions

SEC. 501. DEFINITIONS.

In this title:

(1) The term “child” means any person within the age limits for which the State in which the person is located provides free public education.

(2) The term “elementary school” has the meaning given such term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

(3) The term “impacted local educational agency” means a local educational agency serving an area for which, due to Hurricane Katrina, a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170).

1 (4) The term “local educational agency” has
2 the meaning given such term in section 9101 of the
3 Elementary and Secondary Education Act of 1965
4 (20 U.S.C. 7801).

5 (5) The terms “pupil services” and “pupil serv-
6 ices personnel” have the meanings given such terms
7 in section 9101 of the Elementary and Secondary
8 Education Act of 1965 (20 U.S.C. 7801).

9 (6) The term “relocated student” means a child
10 who—

11 (A) is a homeless child or youth as those
12 terms are used in the McKinney-Vento Home-
13 less Assistance Act (42 U.S.C. 11421 et seq.);

14 (B) but for Hurricane Katrina, would be
15 enrolled in an elementary school or secondary
16 school in an area for which, due to the hurri-
17 cane, a major disaster has been declared in ac-
18 cordance with section 401 of the Robert T.
19 Stafford Disaster Relief and Emergency Assist-
20 ance Act (42 U.S.C. 5121 et seq.); and

21 (C) because of Hurricane Katrina—

22 (i) is unable to access the education
23 and related services that the child other-
24 wise would be receiving at such school; and

1 (ii) is enrolled at a public elementary
 2 school or secondary school in a different
 3 geographical location in a State.

4 (7) The term “secondary school” has the mean-
 5 ing given such term in section 9101 of the Elemen-
 6 tary and Secondary Education Act of 1965 (20
 7 U.S.C. 7801).

8 (8) The term “State” has the meaning given
 9 such term in section 9101 of the Elementary and
 10 Secondary Education Act of 1965 (20 U.S.C. 7801).

11 **Subtitle B—Early Childhood** 12 **Programs Assistance**

13 **PART 1—EMERGENCY FUNDING FOR CONTINU-** 14 **ATION OF SERVICES UNDER CHILD CARE** 15 **AND DEVELOPMENT BLOCK GRANT ACT OF** 16 **1990**

17 **SEC. 511. EMERGENCY ASSISTANCE FOR SERVICES UNDER** 18 **CHILD CARE AND DEVELOPMENT BLOCK** 19 **GRANT ACT OF 1990.**

20 The Secretary of Health and Human Services may
 21 make grants directly to eligible child care providers located
 22 in the States of Louisiana, Mississippi, and Alabama that
 23 provided before August 22, 2005, child care services under
 24 the Child Care and Development Block Grant Act of 1990,
 25 for the purpose of enabling such providers, on a transi-

1 tional basis at new locations in such States, to continue
 2 to provide such services. Such grants may be used for any
 3 purpose authorized by such Act as well as to purchase sup-
 4 plies and materials, to provide transportation, to lease or
 5 purchase temporary space in facilities, and to rehabilitate
 6 or construct facilities for the purpose of providing such
 7 services.

8 **SEC. 512. AUTHORIZATION OF APPROPRIATIONS.**

9 There is authorized to be appropriated
 10 \$1,000,000,000 in the aggregate for fiscal years 2006,
 11 2007, and 2008 to carry out this part.

12 **PART 2—WAIVER AUTHORITY TO PROVIDE SERV-**
 13 **ICES UNDER CHILD CARE AND DEVELOP-**
 14 **MENT BLOCK GRANT ACT OF 1990**

15 **SEC. 521. WAIVER AUTHORITY TO EXPAND THE AVAIL-**
 16 **ABILITY OF SERVICES UNDER CHILD CARE**
 17 **AND DEVELOPMENT BLOCK GRANT ACT OF**
 18 **1990.**

19 (a) **AUTHORITY.**—For such period (ending not later
 20 than June 30, 2006), and to such extent as the Secretary
 21 of Health and Human Services considers to be appro-
 22 priate, the Secretary may waive the provisions described
 23 in subsection (b) for any area with respect to which the
 24 President has determined that an emergency, or a major
 25 disaster, as defined in section 102 of the Robert T. Staf-

1 ford Disaster Relief and Emergency Assistance Act (42
2 U.S.C. 5122), exists, related to Hurricane Katrina, for the
3 purpose of providing child care services to children or-
4 phaned, or of families displaced, as a result of Hurricane
5 Katrina.

6 (b) PROVISIONS.—The provisions referred to in sub-
7 section (a) are provisions of the Child Care and Develop-
8 ment Block Grant Act of 1990 (42 U.S.C. 9858 et seq.)—

9 (1) relating to income limitations on eligibility
10 to receive child care services for which assistance is
11 provided under such Act;

12 (2) relating to work requirements applicable to
13 eligibility to receive child care services for which as-
14 sistance is provided under such Act;

15 (3) requiring the application of section 658G of
16 such Act to States in which an area described in
17 subsection (a) is located;

18 (4) requiring a copayment or other cost sharing
19 by the families that receive child care services for
20 which assistance is provided under such Act; and

21 (5) preventing children designated as evacuees
22 from receiving priority for child care services for
23 which assistance is provided under such Act, except
24 that children residing in an area and currently re-
25 ceiving services on August 22, 2005, shall not lose

1 such services in order to accommodate evacuee chil-
2 dren.

3 **SEC. 522. AUTHORIZATION OF APPROPRIATIONS.**

4 There is authorized to be appropriated to provide for
5 child care services for children and families described in
6 section 521(a) as provided for in section 521,
7 \$112,000,000 for fiscal year 2006.

8 **PART 3—EMERGENCY FUNDING FOR**
9 **CONTINUATION OF HEAD START SERVICES**

10 **SEC. 531. EMERGENCY ASSISTANCE FOR HEAD START**
11 **SERVICES.**

12 The Secretary of Health and Human Services may
13 make grants directly to Head Start agencies located in the
14 States of Louisiana, Mississippi, and Alabama that pro-
15 vided before August 22, 2005, Head Start services under
16 the Head Start Act, for the purpose of enabling such agen-
17 cies, on a transitional basis at new locations in such
18 States, to continue to provide such services. Such grants
19 may be used for any purpose authorized by such Act as
20 well as to purchase supplies and materials, to provide
21 transportation, to lease or purchase temporary space in
22 facilities, and to rehabilitate or construct facilities for the
23 purpose of providing such services.

1 **SEC. 532. AUTHORIZATION OF APPROPRIATIONS.**

2 There is authorized to be appropriated \$150,000,000
3 in the aggregate for fiscal years 2006, 2007, and 2008
4 to carry out this part.

5 **PART 4—WAIVER AUTHORITY TO PROVIDE HEAD**
6 **START SERVICES**

7 **SEC. 541. WAIVER AUTHORITY TO EXPAND THE AVAIL-**
8 **ABILITY OF HEAD START SERVICES.**

9 (a) INCOME ELIGIBILITY AND DOCUMENTATION
10 WAIVERS.—The Secretary of Health and Human Services
11 shall waive requirements of income eligibility and docu-
12 mentation for children affected by Hurricane Katrina who
13 participate in Head Start programs and Early Head Start
14 programs funded under the Head Start Act.

15 (b) WAIVER.—For such period up to June 30, 2006,
16 and to such extent as the Secretary of Health and Human
17 Services considers to be appropriate, the Secretary may
18 waive section 640(b) of the Head Start Act for Head Start
19 agencies located in an area affected by Hurricane Katrina
20 and other affected Head Start agencies.

21 **SEC. 542. TECHNICAL ASSISTANCE, GUIDANCE, AND RE-**
22 **SOURCES.**

23 The Secretary shall provide technical assistance,
24 guidance, and resources through the Region 4 and Region
25 6 offices of the Administration for Children and Families
26 (and may provide technical assistance, guidance, and re-

1 sources through other regional offices of the Administra-
 2 tion, at the request of such offices, that administer im-
 3 pacted Head Start agencies) to Head Start agencies in
 4 areas in which a major disaster has been declared, and
 5 to impacted Head Start agencies, to assist the agencies
 6 involved in providing Head Start services to children af-
 7 fected by Hurricane Katrina.

8 **Subtitle C—Relief for Elementary** 9 **and Secondary Schools**

10 **SEC. 551. EDUCATION AND PUPIL SERVICES FOR ELEMEN-** 11 **TARY AND SECONDARY STUDENTS RELO-** 12 **CATED BECAUSE OF HURRICANE KATRINA.**

13 (a) IN GENERAL.—From funds appropriated under
 14 this section, the Secretary of Education shall make grants
 15 to local educational agencies for fiscal years 2005 and
 16 2006 for the purpose of facilitating the enrollment, attend-
 17 ance, and success in public elementary and secondary
 18 schools of relocated students.

19 (b) MAXIMUM GRANT AMOUNT.—The maximum
 20 amount of the grant a local educational agency may re-
 21 ceive under this section for any fiscal year is—

22 (1) the number of relocated students in the geo-
 23 graphic area served by the local educational agency,
 24 as determined by the Secretary; multiplied by

25 (2) \$8,305.

1 (c) USE OF FUNDS.—Local educational agencies
2 shall use funds received under this section for education
3 and pupil services for relocated students who are enrolled
4 in public schools served by the agency. Such services may
5 include the following:

6 (1) Outreach to families affected by Hurricane
7 Katrina in order to facilitate such families in enroll-
8 ing relocated students in school.

9 (2) Hiring additional teachers, paraprofes-
10 sionals, and pupil services personnel required due to
11 the enrollment of such students.

12 (3) Procurement of additional equipment and
13 classroom supplies required due to the enrollment of
14 such students.

15 (4) Procurement of additional classroom space
16 required due to the enrollment of such students.

17 (5) Transportation services provided to such
18 students.

19 (6) Counseling and other mental health services
20 for such students.

21 (d) APPLICATION.—To seek a grant under this sec-
22 tion, a local educational agency shall submit an application
23 to the Secretary at such time, in such manner, and con-
24 taining such information as the Secretary may reasonably
25 require.

1 (e) SCHOOL LUNCHES.—Notwithstanding any other
2 provision of law, a relocated student is deemed eligible for
3 free lunches under section 9(b) of the Richard B. Russell
4 National School Lunch Act (42 U.S.C. 1758(b)).

5 (f) REPORTS.—Not later than 6 months after the
6 date of the enactment of this Act, and every 6 months
7 thereafter, the Secretary of Education shall submit reports
8 to the appropriate committees of the Congress concerning
9 the implementation of this section.

10 (g) AUTHORIZATION OF APPROPRIATIONS.—To carry
11 out this section, there are authorized to be appropriated
12 such sums as may be necessary for fiscal years 2005 and
13 2006. Amounts made available under the preceding sen-
14 tence for fiscal year 2005 shall remain available for ex-
15 penditure during fiscal year 2006.

16 **SEC. 552. IMMEDIATE AID TO RESTART PUBLIC SCHOOL OP-**
17 **ERATIONS.**

18 (a) GRANTS.—The Secretary of Education shall
19 award grants to impacted local educational agencies for
20 the purposes of—

21 (1) providing immediate and direct assistance
22 to impacted local educational agencies;

23 (2) assisting administrators and other personnel
24 in such agencies who are working to restart public

1 elementary school and secondary school operations;
2 and

3 (3) facilitating the reopening of public elemen-
4 tary schools and secondary schools served by such
5 agencies and the reenrollment of students in such
6 schools as soon as possible.

7 (b) AMOUNT.—The Secretary shall determine the
8 amount of an impacted local educational agency’s grant
9 under this section based upon the agency’s need for funds
10 to fulfill the purposes described in subsection (a).

11 (c) USE OF FUNDS.—Each impacted local edu-
12 cational agency that receives a grant under this section
13 shall use the grant to restart public elementary school and
14 secondary school operations and resume the instruction
15 that was halted as a result of Hurricane Katrina, which
16 uses may include—

17 (1) recovery of student and personnel data and
18 other information;

19 (2) replacement of school district information
20 systems, including longitudinal data systems, includ-
21 ing hardware and software;

22 (3) financial operations;

23 (4) damage assessments, decontamination, and
24 refurbishment in the agency’s school and administra-
25 tion buildings;

1 (5) rental of portable classroom units and facili-
2 ties;

3 (6) replacement of instructional materials and
4 equipment;

5 (7) redeveloping instructional plans;

6 (8) student transportation services;

7 (9) continued payment of salaries and benefits
8 to teachers and other staff; and

9 (10) such other activities as may be necessary
10 to fulfill the purposes described in subsection (a), in-
11 cluding activities authorized by title I of the Elemen-
12 tary and Secondary Education Act of 1965 (20
13 U.S.C. 6301 et seq.) and parts B and C of the Indi-
14 viduals with Disabilities Act (20 U.S.C. 1411 et
15 seq.).

16 (d) APPLICATION.—To seek a grant under this sec-
17 tion, an impacted local educational agency shall submit an
18 application to the Secretary at such time, in such manner,
19 and containing such information as the Secretary may rea-
20 sonably require.

21 (e) AUTHORIZATION OF APPROPRIATIONS.—To carry
22 out this section, there are authorized to be appropriated
23 \$4,000,000,000 for fiscal year 2006 and such sums as are
24 necessary for fiscal year 2007.

1 **SEC. 553. GRANTS FOR LEA'S SERVING RELOCATED CHIL-**
2 **DREN WITH DISABILITIES.**

3 (a) GRANTS.—The Secretary shall make grants to
4 local educational agencies for the purpose of assisting pub-
5 lic elementary schools and secondary schools in such agen-
6 cies to provide special education and related services to
7 students with disabilities who are relocated students in ac-
8 cordance with parts B and C of the Individuals with Dis-
9 abilities Education Act (20 U.S.C. 1411 et seq.).

10 (b) MAXIMUM AMOUNT.—The maximum amount of
11 a grant to a local educational agency under this section
12 for any fiscal year shall be—

13 (1) the amount that is 40 percent of the aver-
14 age per-pupil expenditure in public elementary
15 schools and secondary schools in the United States;
16 multiplied by

17 (2) the number of students with disabilities de-
18 scribed in subsection (a) who—

19 (A) are receiving special education and re-
20 lated services from the agency; and

21 (B) are—

22 (i) 3 through 5 years of age if the
23 State in which the agency is located is eli-
24 gible for a grant under section 619 of the
25 Individuals with Disabilities Education Act
26 (20 U.S.C. 1419); or

1 (ii) 6 through 21 years of age.

2 (c) USE OF FUNDS.—A local educational agency that
3 receives funds under this section may use such funds, with
4 respect to students with disabilities who are relocated stu-
5 dents, for any purpose authorized under part B or C of
6 the Individuals with Disabilities Education Act (20 U.S.C.
7 1411 et seq.).

8 (d) APPLICATION.—To seek a grant under this sec-
9 tion, a local educational agency shall submit an application
10 to the Secretary at such time, in such manner, and con-
11 taining such information as the Secretary may reasonably
12 require.

13 (e) RELATION TO IDEA.—Subject to any waivers
14 granted by the Secretary, a local educational agency that
15 receives funds under this section shall be subject to the
16 same provisions that would apply to the receipt of such
17 funds under part B or C of the Individuals with Disabil-
18 ities Education Act (20 U.S.C. 1411 et seq.), except that
19 this section shall not be interpreted to grant the Secretary
20 any new waiver authority.

21 (f) AUTHORIZATION OF APPROPRIATIONS.—To carry
22 out this section, there are authorized to be appropriated
23 \$250,000,000 for fiscal year 2006 and such sums as may
24 be necessary for fiscal year 2007.

1 **SEC. 554. ASSISTANCE FOR HOMELESS YOUTH.**

2 (a) IN GENERAL.—The Secretary of Education shall
3 provide assistance to local educational agencies serving
4 homeless children and youths (as those terms are used in
5 the McKinney-Vento Homeless Assistance Act (42 U.S.C.
6 11421 et seq.)) who are relocated students, consistent with
7 section 723 of such Act (42 U.S.C. 11433), including
8 identification, enrollment assistance, assessment and
9 school placement assistance, transportation, coordination
10 of school services, supplies, and referrals for health, men-
11 tal health, and other needs.

12 (b) EXCEPTION AND DISTRIBUTION OF FUNDS.—

13 (1) EXCEPTION.—For purposes of providing as-
14 sistance under subsection (a), subsections (c) and
15 (e)(1) of section 722 and subsections (b) and (c) of
16 section 723 of the McKinney-Vento Homeless Assist-
17 ance Act (42 U.S.C. 11432(c) and (e)(1), 11433(b)
18 and (c)) shall not apply.

19 (2) DISBURSEMENT.—The Secretary of Edu-
20 cation shall disburse funding provided under sub-
21 section (a) to State educational agencies based on
22 need, as determined by the Secretary, and such
23 State educational agencies shall distribute funds to
24 local educational agencies based on demonstrated
25 need, for the purposes of carrying out section 723

1 of the McKinney-Vento Homeless Assistance Act (42
2 U.S.C. 11433).

3 (c) AUTHORIZATION OF APPROPRIATIONS.—To carry
4 out this section, there is authorized to be appropriated
5 \$50,000,000 for fiscal year 2006.

6 **SEC. 555. GRANTS FOR ACTIVITIES AT COMMUNITY LEARN-**
7 **ING CENTERS.**

8 (a) GRANTS.—The Secretary shall make grants to eli-
9 gible entities for the purpose of assisting such entities to
10 carry out activities authorized by part B of title IV of the
11 Elementary and Secondary Education Act of 1965 (20
12 U.S.C. 7171 et seq.).

13 (b) ELIGIBLE ENTITY.—In this section, the term “el-
14 igible entity” means an eligible entity (as that term is de-
15 fined in section 4201 of the Elementary and Secondary
16 Education Act of 1965 (20 U.S.C. 7171)) in a geo-
17 graphical area served by an impacted local educational
18 agency or by a local educational agency that enrolls relo-
19 cated students.

20 (c) MAXIMUM AMOUNT.—The maximum amount of
21 a grant to an eligible entity under this section for any fis-
22 cal year shall be—

23 (1) the number of additional students expected
24 to be served by the entity as a result of Hurricane
25 Katrina; multiplied by

1 (2) \$1000.

2 (d) USE OF FUNDS.—An eligible entity receiving
3 funds under this section may use such funds for any pur-
4 pose authorized under part B of title IV of the Elementary
5 and Secondary Education Act of 1965 (20 U.S.C. 7171
6 et seq.).

7 (e) APPLICATION.—To seek a grant under this sec-
8 tion, an eligible entity shall submit an application at such
9 time, in such manner, and containing such information as
10 the Secretary may reasonably require.

11 (f) AUTHORIZATION OF APPROPRIATIONS.—To carry
12 out this section, there are authorized to be appropriated
13 \$400,000,000 for fiscal year 2006 and such sums as may
14 be necessary for fiscal year 2007.

15 **SEC. 556. GRANTS FOR CONSTRUCTION, MODERNIZATION,**
16 **OR REPAIR OF SCHOOL FACILITIES.**

17 (a) GRANTS.—The Secretary of Education shall
18 make grants to impacted local educational agencies and
19 to local educational agencies that enroll relocated students
20 for the purpose of constructing, modernizing, or repairing
21 public kindergarten, elementary, and secondary edu-
22 cational facilities, including the appropriate portion of
23 shared-use facilities, that are safe, healthy, and tech-
24 nology-ready.

1 (b) ALLOWABLE USES OF FUNDS.—A grant under
2 this section may be used for the following:

3 (1) Construction of new public school facilities
4 that ensure the health and safety of students and
5 staff, are energy-efficient, and include up-to-date
6 educational technology infrastructure, including
7 where such construction is economically or otherwise
8 more feasible than large scale modernization or re-
9 pair of existing facilities.

10 (2) Repair or modernization of public school fa-
11 cilities to ensure the health and safety of students
12 and staff, including—

13 (A) repairing, replacing, or installing roofs,
14 electrical wiring, plumbing systems, sewage sys-
15 tems, windows, or doors;

16 (B) repairing, replacing, or installing heat-
17 ing, ventilation, or air conditioning systems (in-
18 cluding insulation); and

19 (C) bringing public schools into compliance
20 with fire and safety codes.

21 (3) Upgrading or installation of educational
22 technology infrastructure to ensure that students
23 have access to up-to-date educational technology.

24 (4) Upgrading school facilities to make them
25 energy-efficient.

1 (5) Modifications necessary to make public
2 school facilities accessible to comply with the Ameri-
3 cans with Disabilities Act of 1990 (42 U.S.C. 12101
4 et seq.) and section 504 of the Rehabilitation Act of
5 1973 (29 U.S.C. 794), except that such modifica-
6 tions shall not be the primary use of the grant.

7 (6) Asbestos abatement or removal from public
8 school facilities.

9 (7) Implementation of measures designed to re-
10 duce or eliminate human exposure to lead-based
11 paint hazards through methods including interim con-
12 trols, abatement, or a combination of each.

13 (c) APPLICATION FOR GRANT.—

14 (1) APPLICATIONS REQUIRED.—To seek a grant
15 under this section, a local educational agency shall
16 submit an application to the Secretary as such time,
17 in such manner, and containing such information as
18 the Secretary may reasonably require.

19 (2) APPLICATION CONTENTS.—Each application
20 described in paragraph (1) shall contain—

21 (A) an assurance that the application was
22 developed in consultation with parents and
23 classroom teachers, to the extent practicable;

1 (B) a description of the overall condition of
2 the local educational agency's school facilities,
3 including health and safety problems;

4 (C) a description of the capacity of the
5 local educational agency's schools to house cur-
6 rent and projected enrollments;

7 (D) a description of the improvements to
8 be supported with funds provided under this
9 section;

10 (E) a cost estimate of the proposed im-
11 provements;

12 (F) an identification of other resources
13 that are available to carry out the activities for
14 which funds are requested under this section;

15 (G) in the case of a local educational agen-
16 cy that proposes to fund a construction, renova-
17 tion, or repair project for one or more public
18 charter schools, the extent to which the schools
19 have access to funding for the project through
20 the financing methods available to other public
21 schools or local educational agencies in the
22 State; and

23 (H) such other information and assurances
24 as the Secretary may reasonably require.

1 (d) SPECIAL RULE.—Each local educational agency
2 receiving a grant under this section shall ensure that, if
3 the agency carries out construction, modernization, or re-
4 pair through a contract, the process for any such contract
5 ensures the maximum number of qualified bidders, includ-
6 ing small, minority, and women-owned businesses, through
7 full and open competition.

8 (e) FAIR WAGES.—All laborers and mechanics em-
9 ployed by contractors or subcontractors in the perform-
10 ance of any contract or subcontract for the repair, mod-
11 ernization, alteration, or construction, including painting
12 and decorating, of any building or work that is financed
13 in whole or in part by a grant under this section shall
14 be paid wages not less than those determined by the Sec-
15 retary of Labor in accordance with sections 3141 through
16 3144 and 3146 of title 40, United States Code (commonly
17 known as the Davis-Bacon Act). The Secretary of Labor
18 shall have the authority and functions set forth in Reorga-
19 nization Plan No. 14 of 1950 (15 FR 3176; 64 Stat.
20 1267) and section 3145 of title 40, United States Code
21 (commonly known as the Copeland Anti-Kickback Act).
22 Notwithstanding any other provision of law, this section
23 may not be waived or suspended.

24 (f) AUTHORIZATION OF APPROPRIATIONS.—To carry
25 out this section, there are authorized to be appropriated

1 such sums as may be necessary for each of fiscal years
2 2006 and 2007.

3 **SEC. 557. KATRINA TEACHERS INCENTIVE PROGRAM.**

4 (a) IN GENERAL.—The Secretary shall make grants
5 to impacted local educational agencies for each of fiscal
6 years 2005 and 2006 for the purpose of assisting such
7 agencies—

8 (1) to recruit new teachers and paraprofes-
9 sionals; and

10 (2) to return teachers and paraprofessionals
11 previously employed by the agencies to the class-
12 room.

13 (b) USE OF FUNDS.—To achieve the purpose de-
14 scribed in subsection (a), an impacted local educational
15 agency that receives a grant under this section shall use
16 the grant for one or more of the activities specified in sec-
17 tion 2123 of the Elementary and Secondary Education
18 Act of 1965 (20 U.S.C. 6623).

19 (c) APPLICATION.—To seek a grant under this sec-
20 tion, an impacted local educational agency shall submit an
21 application to the Secretary at such time, in such manner,
22 and containing such information as the Secretary may rea-
23 sonably require.

24 (d) AUTHORIZATION OF APPROPRIATIONS.—To carry
25 out this section, there are authorized to be appropriated

1 such sums as may be necessary for fiscal years 2005 and
2 2006.

3 **SEC. 558. EXPEDITED APPLICATIONS FOR TEACHER RE-**
4 **CRUITMENT GRANTS.**

5 Section 204(c) of the Higher Education Act of 1965
6 (20 U.S.C. 1024(c)) is amended—

7 (1) by striking “and” at the end of paragraph
8 (2);

9 (2) by striking the period at the end of para-
10 graph (3) and inserting “; and”; and

11 (3) by adding at the end the following new
12 paragraph:

13 “(4) in the case of an eligible applicant located
14 in an area in which the President has declared that
15 a major disaster exists, in accordance with section
16 401 of the Robert T. Stafford Disaster Relief and
17 Emergency Assistance Act (42 U.S.C. 5170), a re-
18 quest that the Secretary review the application in an
19 expedited manner.”.

20 **SEC. 559. USE OF GRANT FUNDS FOR MAJOR DISASTERS.**

21 Section 204(d) of the Higher Education Act of 1965
22 (20 U.S.C. 1024(d)) is amended—

23 (1) by striking “or” at the end of paragraph
24 (1)(C);

(2) by striking the period at the end of paragraph (2) and inserting “; or”; and

(3) by adding at the end the following new paragraph:

“(3) in the case of an eligible applicant located in an area in which the President has declared that a major disaster exists, in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), such applicant shall use the grant funds to provide student loan forgiveness, housing assistance, and other services that will provide incentives for highly qualified teachers and administrators to remain in or relocate to the area affected by such major disaster.”.

Subtitle D—Relief for Institutions of Higher Education

SEC. 561. FINDINGS; SENSE OF CONGRESS.

(a) FINDINGS.—The Congress finds the following:

(1) Approximately 30 institutions of higher education in the Gulf Coast region, serving approximately 100,000 students, directly sustained damage from Hurricane Katrina.

(2) The approximately 30 institutions of higher education in the Gulf Coast region impacted by Hur-

1 ricane Katrina employed approximately 30,000 fac-
2 ulty, administrators, and staff.

3 (3) Revitalizing institutions of higher education
4 in the Gulf Coast region will be a vital element in
5 attracting middle and upper income families back to
6 the Gulf Coast region, and in ensuring sustained
7 economic recovery for the region's lower income fam-
8 ilies.

9 (4) Revitalizing the Gulf Coast economy will de-
10 pend on providing a highly skilled workforce.

11 (5) The return of qualified academic profes-
12 sionals and administrators is a vital element in the
13 revitalization of affected institutions of higher edu-
14 cation in the Gulf Coast region.

15 (6) Students from throughout the Nation who
16 attend institutions of higher education in the Gulf
17 Coast region, and their families, contribute signifi-
18 cantly to the local economy.

19 (7) Many of the scientific, health, technology,
20 and cultural industries of the Gulf Coast region are
21 dependant on local institutions of higher education.

22 (8) Hundreds of other institutions of higher
23 education throughout America and their students
24 are accommodating victims of Hurricane Katrina.

1 (b) SENSE OF CONGRESS.—It is the sense of Con-
2 gress that the assistance provided under this subtitle to
3 revitalize affected institutions of higher education in the
4 Gulf Coast region is a first step toward revitalizing and
5 restoring the economic, social, and cultural prosperity of
6 the entire Gulf Coast region.

7 **SEC. 562. INSTITUTIONAL GRANTS FOR RECRUITMENT AND**
8 **RETENTION.**

9 (a) PURPOSE.—The purpose of this section is to sup-
10 port affected institutions of higher education in their ef-
11 forts to revitalize their communities following Hurricane
12 Katrina.

13 (b) PROGRAM AUTHORIZED.—

14 (1) AUTHORITY.—The Secretary shall award
15 grants to institutions of higher education adversely
16 affected by the Hurricane Katrina disaster to assist
17 the affected institutions in recruiting and retaining
18 students and retaining faculty. The Secretary shall
19 award grants under this section as soon as possible,
20 but no later than 6 months after the date of the en-
21 actment of this Act.

22 (2) DURATION; LIMITATION.—Each grant
23 awarded to an affected institution under this section
24 shall be awarded for a period of 5 years, and may

1 not be renewed. An affected institution may not re-
2 ceive more than one grant under this section.

3 (3) USE OF FUNDS.—

4 (A) AID TO STUDENTS.—Not less than 50
5 percent of the funds made available by a grant
6 under this section shall be used by an affected
7 institution to provide need-based aid to students
8 attending the affected institution for academic
9 year 2005–2006 and each of the 4 succeeding
10 academic years, for purposes of attracting new
11 and returning students to enroll in such af-
12 fected institution. Such need-based aid may in-
13 clude—

14 (i) assisting enrolled students with
15 tuition, fees, and textbook expenses;

16 (ii) employing enrolled students to as-
17 sist in rebuilding facilities of the affected
18 institution;

19 (iii) providing room and board assist-
20 ance for enrolled students living on cam-
21 pus;

22 (iv) attracting and retaining first-gen-
23 eration students, minority students, and
24 other at-risk or underserved populations;

1 (v) creating innovative work and study
2 incentives for enrolled students; and

3 (vi) any other aid deemed necessary
4 by the institution and approved by the Sec-
5 retary.

6 (B) INCENTIVES FOR FACULTY.—Not
7 more than 50 percent of the funds made avail-
8 able by a grant under this section shall be used
9 by an affected institution to provide incentives
10 for faculty employed by an affected institution
11 to remain in the Gulf Coast region at such af-
12 fected institution or, if such affected institution
13 is unable to continue to employ such faculty, at
14 another affected institution. Such incentives
15 may include—

16 (i) employing returning faculty to as-
17 sist in rebuilding facilities of the affected
18 institution;

19 (ii) developing and providing tem-
20 porary housing for returning faculty and
21 their dependents who have been displaced
22 from their homes;

23 (iii) continuing salaries and health
24 benefits for returning faculty for up to one
25 year;

1 (iv) providing tuition assistance for
2 returning faculty and their dependents;

3 (v) creating innovative work and re-
4 search incentives for returning faculty; and

5 (vi) any other incentives deemed nec-
6 essary by the institution and approved by
7 the Secretary.

8 (C) INSTITUTIONAL PROMOTION.—Not
9 more than 5 percent of the funds made avail-
10 able by a grant under this section shall be used
11 by an affected institution to promote the insti-
12 tution at job and college fairs, and through the
13 media.

14 (4) PREVAILING WAGES.—Wages paid, for pur-
15 poses of rebuilding an affected institution's facilities
16 under paragraph (3)(A)(ii) or paragraph (3)(B)(i),
17 to students or faculty in whole or in part with grant
18 funds received under this section for employment as
19 laborers, mechanics, or service employees shall be
20 paid at rates not less than those prevailing in the lo-
21 cality as determined by the Secretary of Labor in ac-
22 cordance with sections 3141, 3142, and 3145 of title
23 40, United States Code, or section 351 of title 41,
24 United States Code, as the case may be. Notwith-
25 standing any other provision of law, the require-

1 ments of this paragraph shall not be waived or sus-
2 pended.

3 (c) APPLICATIONS.—An institution of higher edu-
4 cation desiring a grant under this section shall submit an
5 application to the Secretary within 90 days of the date
6 of enactment of this Act, in such manner and accompanied
7 by such information as the Secretary may require. Each
8 application shall—

9 (1) demonstrate that the institution is an af-
10 fected institution as defined in section 566;

11 (2) specify the amount of grant funds re-
12 quested;

13 (3) demonstrate the need of the institution for
14 such grant by including in the application—

15 (A) evidence that, as a result of a Hurri-
16 cane Katrina disaster, the institution suffered a
17 direct and significant economic impact and a
18 decline in student enrollment, hindering the in-
19 stitution's ability to continue full operation;

20 (B) evidence that, as a result of a Hurri-
21 cane Katrina disaster, the institution lost re-
22 sources necessary to retain faculty, hindering
23 the institution's ability to continue full oper-
24 ation;

1 (C) an assessment of damage to the infra-
2 structure of the institution as a result of a Hur-
3 ricane Katrina disaster;

4 (D) information regarding additional needs
5 created by a Hurricane Katrina disaster; and

6 (E) other relevant data; and

7 (4) contain a description of the institution's
8 plan to carry out the purposes of this section.

9 (d) PRIORITY.—The Secretary shall give priority in
10 awarding grants under this section to affected institutions
11 most in need, as determined by the Secretary.

12 (e) REPORTING REQUIREMENTS; REVIEWS.—

13 (1) REPORTS.—Each affected institution receiv-
14 ing a grant under this section shall report to the
15 Secretary no later than September 30 of each year
16 of the 5-year period for which the grant is awarded.

17 (2) CONTENTS.—The report shall include—

18 (A) data on the populations served under
19 this section;

20 (B) a description of the use of the grant
21 funds received under this section, including a
22 description of programs developed with such
23 funds;

24 (C) a financial statement accounting for
25 the use of the grant funds; and

1 (D) data on the impact of the grant on en-
2 rollment and retention at the institution, includ-
3 ing data on the numbers and percentages of
4 new and returning students, and the number
5 and percentage of faculty that have been re-
6 tained.

7 (3) REVIEWS.—The Secretary shall conduct
8 periodic reviews to ensure that grant funds are being
9 properly managed, and that the programs using
10 such funds are achieving their intended outcomes.

11 (f) AVAILABILITY OF FUNDS.—There shall be avail-
12 able to the Secretary to carry out this section, from funds
13 not otherwise appropriated, \$3,000,000,000 for fiscal year
14 2006, which shall remain available through fiscal year
15 2010.

16 **SEC. 563. LOAN FORGIVENESS.**

17 (a) STATEMENT OF PURPOSE.—The purpose of this
18 section is to encourage students to continue attending, and
19 to earn degrees from, affected institutions of higher edu-
20 cation.

21 (b) PROGRAM AUTHORIZED.—The Secretary shall
22 carry out a program, through the holder of the loan, of
23 assuming the obligation to repay a qualified loan amount
24 for a loan made under part B of title IV of the Higher
25 Education Act of 1965 (20 U.S.C. 1040), and of canceling

1 the obligation to repay a qualified loan amount for a loan
2 made under part D or E of such title IV, in accordance
3 with subsection (c), for any borrower, who—

4 (1) returns to or enrolls in an affected institu-
5 tion of higher education in academic year 2005–
6 2006, 2006–2007, or 2007–2008;

7 (2) obtains an associate’s degree or a bachelor’s
8 degree from such institution; and

9 (3) is not in default on a loan for which the
10 borrower seeks forgiveness.

11 (c) QUALIFIED LOAN AMOUNT.—

12 (1) ASSOCIATE’S DEGREE.—Upon completion of
13 an associate’s degree from an affected institution,
14 the Secretary shall repay—

15 (A) in the case of a full-time student,
16 \$2,500 for each academic year of enrollment at
17 such affected institution; or

18 (B) in the case of a student enrolled less
19 than full-time, \$2,500 for the equivalent of one
20 academic year of enrollment as a full-time stu-
21 dent at such affected institution, as determined
22 by the Secretary;
23 not to exceed \$5,000.

1 (2) BACHELOR’S DEGREE.—Upon completion of
2 a bachelor’s degree from an affected institution, the
3 Secretary shall repay—

4 (A) in the case of a full-time student,
5 \$2,500 for each academic year of enrollment at
6 such affected institution; or

7 (B) in the case of a student enrolled less
8 than full-time, \$2,500 for the equivalent of one
9 academic year of enrollment as a full-time stu-
10 dent at such affected institution, as determined
11 by the Secretary;
12 not to exceed \$10,000.

13 (3) LIMITATION.—The Secretary shall repay
14 not more than the total outstanding Federal loan ob-
15 ligation of the student, or \$10,000, whichever is less.

16 (4) PREVENTION OF ABUSE.—The Secretary is
17 authorized to issue such regulations as may be nec-
18 essary to prevent borrowers from receiving repay-
19 ment under this section for an excessive period of
20 enrollment in comparison to the enrollment period
21 which the Secretary determines is appropriate to ob-
22 tain an associate’s or a bachelor’s degree.

23 (5) ACADEMIC YEAR OF ENROLLMENT.—For
24 the purpose of calculating loan repayment under this
25 section, the term “academic year of enrollment”

1 means the academic year in which an affected insti-
2 tution reopens, or any subsequent academic year.

3 (d) PRIORITY.—The Secretary shall give priority in
4 awarding grants under this section to students most in
5 need, as determined by the Secretary.

6 (e) CONSTRUCTION.—Nothing in this section shall be
7 construed to authorize any refunding of any repayment
8 of a loan.

9 (f) AVAILABILITY OF FUNDS.—There shall be avail-
10 able to the Secretary to carry out this section, from funds
11 not otherwise appropriated, \$1,600,000,000 for fiscal year
12 2006, which shall remain available through fiscal year
13 2013.

14 **SEC. 564. REGULATIONS.**

15 The Secretary is authorized to issue such regulations
16 as may be necessary to carry out the provisions of this
17 subtitle.

18 **SEC. 565. EMERGENCY DESIGNATIONS.**

19 Sections 562 and 563 are designated as emergency
20 requirements pursuant to section 402 of H. Con. Res. 95
21 (109th Congress).

22 **SEC. 566. DEFINITIONS.**

23 For the purposes of this subtitle:

24 (1) AFFECTED INSTITUTION.—The term “af-
25 fected institution” means an institution of higher

1 education (as defined in section 102 of the Higher
2 Education Act of 1965 (20 U.S.C. 1002))—

3 (A) located in an area affected by a Hurri-
4 cane Katrina disaster; and

5 (B) that was forced to close, relocate, or
6 significantly curtail its activities as a result of
7 damage directly sustained by a Hurricane
8 Katrina disaster.

9 (2) FACULTY.—The term “faculty” means aca-
10 demic professionals, administrators, and staff em-
11 ployed by an affected institution as of August 29,
12 2005.

13 (3) HURRICANE KATRINA DISASTER.—The term
14 “Hurricane Katrina disaster” means a major dis-
15 aster that the President declared to exist, in accord-
16 ance with section 401 of the Robert T. Stafford Dis-
17 aster Relief and Emergency Assistance Act (42
18 U.S.C. 5170), and that was caused by Hurricane
19 Katrina.

20 (4) AREA AFFECTED BY A HURRICANE KATRINA
21 DISASTER.—The term “area affected by a Hurricane
22 Katrina disaster” means a county or parish, in an
23 affected State, that has been designated by the Fed-
24 eral Emergency Management Agency for disaster as-

1 sistance for individuals and households as a result of
 2 Hurricane Katrina.

3 (5) AFFECTED STATE.—The term “affected
 4 State” means the State of Alabama, Louisiana, or
 5 Mississippi.

6 **TITLE VI—VOTING RIGHTS**

7 **SEC. 601. SHORT TITLE.**

8 This title may be cited as the “Displaced Citizens
 9 Voter Protection Provisions of 2005”.

10 **SEC. 602. APPLICABILITY OF PROTECTIONS FOR ABSENT** 11 **MILITARY AND OVERSEAS VOTERS TO** 12 **KATRINA EVACUEES.**

13 (a) RIGHT OF KATRINA EVACUEES TO USE ABSEN-
 14 TEE BALLOTING AND REGISTRATION PROCEDURES
 15 AVAILABLE TO MILITARY AND OVERSEAS VOTERS.—In
 16 the case of any individual who is an eligible Hurricane
 17 Katrina evacuee—

18 (1) the individual shall be treated in the same
 19 manner as an absent uniformed services voter and
 20 overseas voter for purposes of the Uniformed and
 21 Overseas Citizens Absentee Voting Act (42 U.S.C.
 22 1973ff et seq.), other than section 103(b)(1) (42
 23 U.S.C. 1973ff–2(b)(1)); and

24 (2) the individual shall be deemed to be an indi-
 25 vidual who is entitled to vote by absentee ballot for

1 purposes of the National Voter Registration Act of
2 1993 and the Help America Vote Act of 2002.

3 (b) DEFINITION.—For purposes of this section, the
4 term “eligible Hurricane Katrina evacuee” means an indi-
5 vidual—

6 (1) who certifies to the appropriate State elec-
7 tion official that the individual is absent from the
8 place of residence where the individual is otherwise
9 qualified to vote as a result of evacuation from an
10 area affected by Hurricane Katrina; and

11 (2) who provides the official with an affidavit
12 stating that the individual intends to return to such
13 place of residence after the election or elections in-
14 volved.

15 (c) REQUIRING DESIGNATED VOTER REGISTRATION
16 AGENCIES TO NOTIFY DISPLACED INDIVIDUALS OF
17 AVAILABILITY OF PROTECTIONS.— Each motor vehicle
18 authority in a State and each voter registration agency
19 designated in a State under section 7(a) of the National
20 Voter Registration Act of 1993 shall take such steps as
21 may be necessary to notify individuals to whom services
22 are provided of the protections provided by this section
23 and of the requirements for obtaining those protections,
24 including the requirement to submit an affidavit stating

1 that the individual intends to return to the place of resi-
2 dence where the individual is otherwise qualified to vote.

3 (d) EFFECTIVE DATE.—This section shall apply with
4 respect to elections for Federal office held in calendar
5 years 2006 through 2008.

6 **SEC. 603. GRANTS TO STATES FOR RESTORING AND RE-**
7 **PLACING ELECTION ADMINISTRATION SUP-**
8 **PLIES, MATERIALS, AND EQUIPMENT DAM-**
9 **AGED BY HURRICANE KATRINA.**

10 (a) AUTHORITY TO MAKE GRANTS.—The Election
11 Assistance Commission shall make a grant to each eligible
12 State, in such amount as the Commission considers appro-
13 priate, for purposes of restoring and replacing supplies,
14 materials, equipment, and voting records used in elections
15 in the State which were damaged as a result of Hurricane
16 Katrina.

17 (b) ELIGIBILITY.—A State is eligible to receive a
18 grant under this section if it submits to the Commission
19 (at such time and in such form as the Commission may
20 require) a certification that supplies, materials, equip-
21 ment, and voting records used in the State were damaged
22 as a result of Hurricane Katrina.

23 (c) AUTHORIZATION OF APPROPRIATIONS.—There
24 are authorized to be appropriated for fiscal year 2006 for

1 grants under this section \$50,000,000, to remain available
2 until expended.

3 **TITLE VII—FINANCIAL SERVICES**
4 **PROVISIONS**

5 **SEC. 701. HURRICANE KATRINA REGULATORY RELIEF.**

6 (a) WRITTEN GUIDANCE AND FORBEARANCE POL-
7 ICY.—Federal financial institution regulatory agencies
8 shall—

9 (1) provide written guidance for financial insti-
10 tutions in implementing the voluntary moratorium
11 described in subsection (b), and any other permis-
12 sible forbearance, to ensure that such financial insti-
13 tutions are not negatively impacted by acting in ac-
14 cordance with the intention of the Congress; and

15 (2) take this forbearance policy into consider-
16 ation as they examine or audit the financial status
17 of regulated financial institutions.

18 (b) VOLUNTARY POLICY TO PROVIDE RELIEF FOR
19 CONSUMERS AFFECTED BY HURRICANE KATRINA.—It is
20 the sense of the Congress that—

21 (1) a voluntary moratorium on the payment of
22 both principal and interest, by those who are not in
23 a position to pay, on unsecured loans and other ex-
24 tensions of credit made or extended before August
25 28, 2005, including small business and consumer

1 loans, should be recognized by creditors for a 1-year
2 period beginning on August 28, 2005, with respect
3 to borrowers who as of such date resided in, or
4 whose businesses were located within, an area ad-
5 versely affected by Hurricane Katrina;

6 (2) creditors should refrain from negative re-
7 porting with respect to any loans described in para-
8 graph (1) to any consumer reporting agency during
9 the 1-year period described in such paragraph;

10 (3) during the 1-year period beginning on the
11 date of the enactment of this Act—

12 (A) all operators of automated teller ma-
13 chines should waive any fees or surcharges for
14 use of such machines by consumers who are not
15 customers of such operators; and

16 (B) all depository institutions and insured
17 credit unions should waive any fees or sur-
18 charges on consumers who are customers of any
19 such depository institution or credit union for
20 use by the customers of automated teller ma-
21 chines that are not operated by the depository
22 institution or credit union;

23 (4) during the 1-year period beginning on the
24 date of the enactment of this Act, it is vital that in-
25 sured depository institutions and insured credit

1 unions continue to provide financial services to con-
2 sumers displaced or otherwise adversely affected by
3 Hurricane Katrina, which includes the cashing of
4 Federal government assistance and benefit checks;

5 (5) during the 1-year period beginning on the
6 date of the enactment of this Act, depository institu-
7 tions should voluntarily waive any limitation on the
8 availability of funds deposited by consumers in the
9 form of insurance claim checks that is otherwise au-
10 thorized to be imposed under the Expedited Funds
11 Availability Act; and

12 (6) all creditors should waive any fees for late
13 periodic payments on any outstanding balance in
14 any credit card account under an open end consumer
15 credit plan (as such terms are defined in the Truth
16 in Lending Act) when the consumer proffers evi-
17 dence that the late payment was due to—

18 (A) an interruption of mail with respect to
19 the payment itself or the receipt by the con-
20 sumer of a billing statement; or

21 (B) the customer's inability to access funds
22 on deposit in any depository institution or cred-
23 it union.

1 **SEC. 702. FLEXIBILITY IN CAPITAL AND NET WORTH**
2 **STANDARDS FOR SMALL AFFECTED INSTITU-**
3 **TIONS.**

4 (a) IN GENERAL.—Notwithstanding section 38 of the
5 Federal Deposit Insurance Act, section 216 of the Federal
6 Credit Union Act, or any other provision of Federal law,
7 during the 5-year period beginning on the date of enact-
8 ment of this Act, the appropriate Federal banking agency
9 and the National Credit Union Administration may for-
10 bear from taking any action required under any such sec-
11 tion or provision, on a case-by-case basis, with respect to
12 any undercapitalized insured depository institution or
13 undercapitalized insured credit union that is not signifi-
14 cantly or critically undercapitalized, if such agency or Ad-
15 ministration determines that—

16 (1) the insured depository institution or insured
17 credit union maintains its principal place of business
18 within a qualified disaster area;

19 (2) the total assets of the insured depository in-
20 stitution or insured credit union as of August 27,
21 2005, was less than \$500,000,000;

22 (3) the insured depository institution or insured
23 credit union derives more than 50 percent of its
24 total deposits from persons who normally reside
25 within, or whose principal place of business is nor-
26 mally within, a qualified disaster area;

1 (4) the insured depository institution or insured
2 credit union was adequately or well capitalized as of
3 August 28, 2005;

4 (5) the reduction in the capital or net worth
5 category of the insured depository institution or in-
6 sured credit union is a direct result of Hurricane
7 Katrina; and

8 (6) forbearance from any such action—

9 (A) would facilitate the recovery of the in-
10 sured depository institution or insured credit
11 union from the disaster in accordance with a re-
12 covery plan or a capital or net worth restoration
13 plan established by such depository institution
14 or credit union; and

15 (B) would be consistent with safe and
16 sound practices.

17 (b) DEFINITIONS.—For purposes of this section, the
18 following definitions shall apply:

19 (1) CAPITAL AND NET WORTH CATEGORIES DE-
20 FINED.—The terms relating to capital categories for
21 insured depository institutions have the same mean-
22 ing as in section 38(b)(1) of the Federal Deposit In-
23 surance Act and the terms relating to net worth cat-
24 egories for insured credit unions have the same

1 meaning as in section 216(c)(1) of the Federal Cred-
2 it Union Act.

3 (2) QUALIFIED DISASTER AREA.—The term
4 “qualified disaster area” means any area within Ala-
5 bama, Louisiana, or Mississippi in which the Presi-
6 dent, pursuant to section 401 of the Robert T. Staf-
7 ford Disaster Relief and Emergency Assistance Act,
8 has determined, on or after August 28, 2005, that
9 a major disaster exists due to Hurricane Katrina.

10 **SEC. 703. WAIVER OF FEDERAL RESERVE BOARD FEES FOR**
11 **CERTAIN SERVICES.**

12 Notwithstanding section 11A of the Federal Reserve
13 Act or any other provision of law, during the 1-year period
14 beginning on the date of the enactment of this Act, a Fed-
15 eral reserve bank shall waive or rebate any transaction fee
16 for wire transfer services that otherwise would be imposed
17 on any insured depository institution or insured credit
18 union that—

19 (1) as of August 28, 2005, was headquartered
20 in a qualified disaster area (as defined in section
21 702(b)(2)); and

22 (2) as of August 27, 2005, had total assets of
23 less than \$500,000,000.

1 **SEC. 704. WAIVER OF CERTAIN LIMITATION ON CERTAIN**
2 **BANK INVESTMENTS TO PROMOTE THE PUB-**
3 **LIC WELFARE.**

4 (a) NATIONAL BANKS.—Investments described in the
5 first sentence of the paragraph designated “Eleventh” of
6 section 5136 of the Revised Statutes of the United States
7 (12 U.S.C. 24) that are made by a national bank in a
8 qualified disaster area (as defined in section 702(b)(2))
9 shall not be taken into account for purposes of any limita-
10 tions contained in such paragraph on the aggregate
11 amount of such investments.

12 (b) STATE BANKS.—Investments described in the
13 first sentence of the 23rd undesignated paragraph of sec-
14 tion 9 of the Federal Reserve Act (12 U.S.C. 338) that
15 are made by a State member bank in a qualified disaster
16 area (as defined in section 702(b)(2)) shall not be taken
17 into account for purposes of any limitations contained in
18 such paragraph on the aggregate amount of such invest-
19 ments.

20 **SEC. 705. EMERGENCY AUTHORITY TO GUARANTEE**
21 **CHECKS CASHED FOR VICTIMS OF HURRI-**
22 **CANE KATRINA.**

23 (a) FDIC.—

24 (1) IN GENERAL.—Subject to subsection (d),
25 the Federal Deposit Insurance Corporation shall es-
26 tablish, in accordance with emergency guidance

1 issued by the Board of Governors of the Federal Re-
2 serve System under subsection (d)(1), an emergency
3 program under which an insured depository institu-
4 tion may obtain, subject to subsection (d)(2), a com-
5 mitment from the Corporation to indemnify the in-
6 sured depository institution for any loss suffered by
7 the institution through cashing a check or share
8 draft that—

9 (A) is presented for payment by any indi-
10 vidual who, as of August 28, 2005, resided in
11 the State of Alabama, Mississippi, or Louisiana
12 in an area in which the President, pursuant to
13 section 401 of the Robert T. Stafford Disaster
14 Relief and Emergency Assistance Act, deter-
15 mined, on or after August 28, 2005, that a
16 major disaster exists due to Hurricane Katrina;
17 and

18 (B) is subsequently uncollectible,
19 in an amount not to exceed \$2,000 for each such
20 check or share draft.

21 (2) SOURCE OF FUNDS FOR PAYMENTS.—Any
22 payments required to be made by the Corporation
23 pursuant to a commitment under paragraph (1) to
24 an insured depository institution shall be drawn

1 from funds available for such purposes under sub-
2 section (c).

3 (b) NCUA.—

4 (1) IN GENERAL.—Subject to subsection (d),
5 the National Credit Union Administration shall es-
6 tablish, in accordance with emergency guidance
7 issued by the Board under subsection (d)(1), an
8 emergency program under which an insured credit
9 union may obtain, subject to subsection (d)(2), a
10 commitment from the Administration to indemnify
11 the insured credit union for any loss suffered by the
12 credit union through cashing a share draft or check
13 that—

14 (A) is presented for payment by any indi-
15 vidual who, as of August 28, 2005, resided in
16 the State of Alabama, Mississippi, or Louisiana
17 in an area in which the President, pursuant to
18 section 401 of the Robert T. Stafford Disaster
19 Relief and Emergency Assistance Act, deter-
20 mined, on or after August 28, 2005, that a
21 major disaster exists due to Hurricane Katrina;
22 and

23 (B) is subsequently uncollectible,
24 in an amount not to exceed \$2,000 for each such
25 check or share draft

1 (2) SOURCE OF FUNDS FOR PAYMENTS.—Any
 2 payments required to be made by the National Cred-
 3 it Union Administration pursuant to a commitment
 4 under paragraph (1) to an insured credit union shall
 5 be drawn from funds available for such purposes
 6 under subsection (c).

7 (3) LIMITED EXTENSION OF CHECK CASHING
 8 SERVICES.—Notwithstanding any limitation in sec-
 9 tion 107(12) of the Federal Credit Union Act with
 10 regard to field of membership, an insured credit
 11 union may cash any check presented for payment by
 12 any individual described in paragraph (1)(A).

13 (c) REIMBURSEMENT FROM FEDERAL RESERVE
 14 SURPLUSES.—Section 7(b) of the Federal Reserve Act (12
 15 U.S.C. 289(b)) is amended by adding at the end the fol-
 16 lowing new paragraph:

17 “(4) ADDITIONAL TRANSFERS TO COVER CER-
 18 TAIN RELIEF EFFORTS RESULTING FROM HURRI-
 19 CANE KATRINA.—

20 “(A) IN GENERAL.—Subject to subpara-
 21 graph (C), from the surplus funds of the Fed-
 22 eral reserve banks maintained pursuant to sub-
 23 section (a)(2), the Federal reserve banks shall
 24 transfer to the Board of Governors of the Fed-
 25 eral Reserve System for transfer to the Federal

1 Deposit Insurance Corporation and the Na-
2 tional Credit Union Administration, such sums
3 as are necessary to meet any payments required
4 under subsection (a)(1) or (b)(1). In the event
5 that the total amount of requests for indem-
6 nification received by the Federal Deposit In-
7 surance Corporation and the National Credit
8 Union Administration exceed the maximum
9 amount specified under subparagraph (C), the
10 sums transferred to the Federal Deposit Insur-
11 ance Corporation and the National Credit
12 Union Administration, respectively, shall be in
13 proportion to the amount of payments required
14 under subsection (a)(1) and (b)(1), respectively.

15 “(B) ALLOCATION BY FEDERAL RESERVE
16 BOARD.—Of the total amount required to be
17 paid by the Federal reserve banks, the Board of
18 Governors of the Federal Reserve System shall
19 determine the amount each such bank shall
20 pay.

21 “(C) MAXIMUM AMOUNT.—The total
22 amount transferred under subparagraph (A)
23 from all Federal reserve banks shall not exceed
24 \$200,000,000.

1 “(D) REPLENISHMENT OF SURPLUS FUND
2 PROHIBITED.—No Federal reserve bank may
3 replenish such bank’s surplus fund by the
4 amount of any transfer by such bank under
5 subparagraph (A).”.

6 (d) EMERGENCY GUIDANCE AND LIMITATIONS.—

7 (1) IN GENERAL.—The Board, after consulting
8 the Federal Deposit Insurance Corporation and the
9 National Credit Union Administration, shall, upon
10 the enactment of this Act, promptly issue appro-
11 priate guidance—

12 (A) to carry out the purposes of this sec-
13 tion and administer the programs established in
14 accordance with this section;

15 (B) to reduce the incidence of fraud and
16 any other cause of loss to the greatest extent
17 possible, consistent with the purpose of this
18 Act;

19 (C) to require insured depository institu-
20 tions and insured credit unions to exercise due
21 diligence in determining the eligibility of any
22 check presented by any individual for indem-
23 nification under this section, including such
24 measures as verification of Social Security num-

1 bers and other identifying information as the
2 Board may determine to be practicable;

3 (D) to provide insured depository institu-
4 tions and insured credit unions with reasonable
5 guidance, in light of the emergency cir-
6 cumstances presented by Hurricane Katrina, so
7 as to meet the requirements for indemnification
8 under this section, including the sharing of in-
9 formation on checks that have been presented
10 for indemnification; and

11 (E) notwithstanding any Federal or State
12 law, to provide for the right of the Board of
13 Governors of the Federal Reserve System, on
14 behalf of the Federal reserve banks and
15 through the Federal Deposit Insurance Cor-
16 poration and the National Credit Union Admin-
17 istration, to recover from any insured deposi-
18 tory institution or insured credit union the
19 amount of any indemnification paid to such de-
20 pository institution or credit union with respect
21 to any check, to the extent of the amount so
22 paid, if the insured depository institution or in-
23 sured credit union collects on the check.

24 (2) COMPLIANCE WITH GUIDANCE CONDI-
25 TION.—The emergency guidance issued under para-

1 graph (1) shall require any insured depository insti-
2 tution or insured credit union seeking a commitment
3 under subsection (a)(1) or (b)(1) to demonstrate
4 that the institution or credit union is in compliance
5 with the guidance in such manner as the Board de-
6 termines to be appropriate and practicable.

7 (3) PER INDIVIDUAL PER INSTITUTION LIMITA-
8 TION.—No specific insured depository institution or
9 insured credit union may be indemnified for losses
10 in excess of \$2,000 with respect to checks and share
11 drafts presented by any one individual.

12 (e) DEFINITIONS.—For purposes of this Act, the fol-
13 lowing definitions shall apply:

14 (1) BOARD.—The term “Board” means the
15 Board of Governors of the Federal Reserve System.

16 (2) INSURED CREDIT UNION.—The term “in-
17 sured credit union” has the same meaning as in sec-
18 tion 101 of the Federal Credit Union Act.

19 (3) INSURED DEPOSITORY INSTITUTION.—The
20 term “insured depository institution” has the same
21 meaning as in section 3 of the Federal Deposit In-
22 surance Act.

23 (f) RULE OF CONSTRUCTION.—No provision of this
24 section shall be construed as affecting any right or obliga-
25 tion of an insured depository institution or insured credit

1 union to take any action against any person in connection
2 with a fraudulent check, a fraudulent negotiation of a
3 check, or any other wrongful act.

4 (g) EFFECTIVE DATE.—

5 (1) IN GENERAL.—Subject to paragraph (2),
6 the provisions of this section shall apply to checks or
7 share drafts presented to an insured depository in-
8 stitution or an insured credit union during the pe-
9 riod beginning on August 28, 2005, and ending Au-
10 gust 28, 2006.

11 (2) LIMITED EXTENSION.—The period de-
12 scribed in paragraph (2) may be extended once for
13 an additional 180 days if—

14 (A) the Board, after consulting with the
15 Federal Deposit Insurance Corporation and the
16 National Credit Union Administration, deter-
17 mines that the continuing impact of Hurricane
18 Katrina on financial intermediation between
19 consumers and financial institutions, on pay-
20 ment networks, and on other forms of commu-
21 nication require an extension of the programs
22 established under this section in order to con-
23 tinue to meet the immediate needs of victims of
24 the disaster; and

1 (B) notice of such determination is pub-
2 lished in the Federal Register at least 5 days
3 before the end of the period described in para-
4 graph (1).

5 **SEC. 706. TECHNICAL ASSISTANCE FOR MINORITY INSTITU-**
6 **TIONS.**

7 (a) MINORITY DEPOSITORY INSTITUTIONS.—

8 (1) IN GENERAL.—The Federal Deposit Insur-
9 ance Corporation and the Director of the Office of
10 Thrift Supervision shall provide such technical as-
11 sistance to minority financial institutions affected by
12 Hurricane Katrina as may be appropriate to pre-
13 serve the safety and soundness of such financial in-
14 stitutions, prevent the insolvency of such institu-
15 tions, and enable the institutions to recovery from
16 the adverse financial impact of Hurricane Katrina
17 on the customers of the institutions, the assets of
18 the institutions, and any real and personal property
19 securing such assets.

20 (2) MINORITY INSTITUTION DEFINED.—For
21 purposes of this subsection, the term “minority fi-
22 nancial institution” has the same meaning as in sec-
23 tion 308(b) of the Financial Institutions Reform,
24 Recovery, and Enforcement Act of 1989.

25 (b) MINORITY CREDIT UNIONS.—

1 (1) IN GENERAL.—The National Credit Union
2 Administration shall provide such technical assist-
3 ance to minority credit unions affected by Hurricane
4 Katrina as may be appropriate to preserve the safety
5 and soundness of such credit unions, prevent the in-
6 solveny of such credit unions, and enable the credit
7 unions to recovery from the adverse financial impact
8 of Hurricane Katrina on the customers of the credit
9 unions, the assets of the credit unions, and any real
10 and personal property securing such assets.

11 (2) DEFINITIONS.—For purposes of this sub-
12 section, the following definitions shall apply:

13 (A) MINORITY CREDIT UNION.—The term
14 “minority credit union” means an insured cred-
15 it union—

16 (i) of which a majority of the share
17 draft account holders are predominately
18 minority; or

19 (ii) in the case of community develop-
20 ment credit union, the community served
21 by the credit union is predominantly mi-
22 nority

23 (B) MINORITY.—The term “minority” has
24 the same meaning as in section 308(b)(2) of the

1 Financial Institutions Reform, Recovery, and
2 Enforcement Act of 1989.

3 **SEC. 707. IMPLEMENTING KATRINA DISASTER RELIEF**
4 **THROUGH THE CDFI FUND.**

5 (a) AUTHORIZATION OF APPROPRIATIONS.—In addi-
6 tion to amounts appropriated to the Community Develop-
7 ment Financial Institutions Fund (hereafter in this sec-
8 tion referred to as the “Fund”) for fiscal year 2006 to
9 carry out the purposes of the Community Development
10 Banking and Financial Institutions Act of 1994, there are
11 authorized to be appropriated to the Fund (which may be
12 derived by transfer from funds appropriated for “Disaster
13 Relief” in Public Law 109–62), such sums as may be nec-
14 essary for fiscal year 2006 to carry out such Act for the
15 purposes of, and in the manner provided in, this section.

16 (b) ASSISTANCE PROVIDED BY THE FUND FOR HUR-
17 RICANE KATRINA ASSISTANCE.—

18 (1) IN GENERAL.—Amounts appropriated pur-
19 suant to the authorization under subsection (a) shall
20 be available to the Fund under the Community De-
21 velopment Banking and Financial Institutions Act of
22 1994 for the purposes of such Act, including tech-
23 nical and training assistance, awards under the
24 Bank Enterprise Act of 1991, equity investments,
25 deposits, and other forms of financial assistance to

1 community development financial institutions, in ac-
2 cordance with paragraph (2).

3 (2) ADJUSTMENTS TO CRITERIA.—In providing
4 assistance under paragraph (1), the Community De-
5 velopment Banking and Financial Institutions Act of
6 1994 shall be applied with the following adjust-
7 ments:

8 (A) DESIGNATION OF ASSISTED AREAS.—

9 Notwithstanding section 107(b) of the Commu-
10 nity Development Banking and Financial Insti-
11 tutions Act of 1994, the Fund shall limit the
12 selection of community development financial
13 institution applicants for assistance pursuant to
14 this section to any financial institution that—

15 (i) is located in a Hurricane Katrina
16 affected area; or

17 (ii) demonstrates to the satisfaction of
18 the Fund that the financial institution has
19 the ability to provide capital, credit or fi-
20 nancial services within the Hurricane
21 Katrina affected area.

22 (B) WAIVER OF MATCHING REQUIRE-
23 MENTS.—In the case of an applicant with se-
24 vere constraints on available sources of match-
25 ing funds, the Fund may reduce or waive the

1 matching requirements of section 108(e)(1) of
2 the Community Development Banking and Fi-
3 nancial Institutions Act of 1994 for such appli-
4 cant for purposes of this subsection.

5 (C) WAIVER OF LIMITATIONS ON CERTAIN
6 FORMS OF ASSISTANCE.—The limitation con-
7 tained in section 113(c) of the Community De-
8 velopment Banking and Financial Institutions
9 Act of 1994 shall not apply to assistance pro-
10 vided under this subsection in accordance with
11 section 113 of such Act.

12 (D) APPLICATION OF BANK ENTERPRISE
13 ACT OF 1991.—In making assistance under this
14 subsection available in the manner provided in
15 section 114 of the Community Development
16 Banking and Financial Institutions Act of
17 1994, the Bank Enterprise Act of 1991 shall be
18 applied under section 114(a)(2)—

19 (i) by substituting “Hurricane
20 Katrina affected area”, as defined in para-
21 graph (3), for “qualified distressed com-
22 munity”; and

23 (ii) with respect to life line accounts,
24 by taking into account only life line ac-

1 counts offered in an Hurricane Katrina af-
2 fected area.

3 (3) HURRICANE KATRINA AFFECTED AREA DE-
4 FINED.—For purposes of this section, the term
5 “Hurricane Katrina affected area” means any coun-
6 ty (as defined in section 2 of title 1, United States
7 Code) that—

8 (A) is within an area in which the Presi-
9 dent, pursuant to section 401 of the Robert T.
10 Stafford Disaster Relief and Emergency Assist-
11 ance Act, has determined, on or after August
12 28, 2005, that a major disaster exists due to
13 Hurricane Katrina; and

14 (B) has been designated by the Federal
15 Emergency Management Agency as an area in
16 which public assistance or individual assistance
17 is available as a result of Hurricane Katrina.

18 **TITLE VIII—EXPANDED OPPOR-**
19 **TUNITY AND SMALL BUSI-**
20 **NESS PROVISIONS**

21 **Subtitle A—Expanded Opportunity**

22 **SEC. 801. REINSTATEMENT OF DAVIS-BACON WAGE RE-**
23 **QUIREMENTS.**

24 Notwithstanding the proclamation by the President
25 dated September 8, 2005, or any other provision of law,

1 the provisions of subchapter IV of chapter 31 of title 40,
2 United States Code (and the provisions of all other related
3 Acts to the extent they depend upon a determination by
4 the Secretary of Labor under section 3142 of such title,
5 whether or not the President has the authority to suspend
6 the operation of such provisions), shall apply to all con-
7 tracts to which such provisions would otherwise apply that
8 are entered into on or after the date of enactment of this
9 Act, to be performed in the counties affected by Hurricane
10 Katrina and described in such proclamation.

11 **SEC. 802. INCREASED PROCUREMENT GOAL FOR CERTAIN**
12 **FEDERAL CONTRACTS FOR RECOVERY FROM**
13 **HURRICANE KATRINA.**

14 For purposes of section 15(g)(1) of the Small Busi-
15 ness Act (15 U.S.C. 644 (g)(1)), the Government wide
16 goal for participation by small business concerns owned
17 and controlled by socially and economically disadvantaged
18 individuals in Federal contracts for recovery and recon-
19 struction activities related to Hurricane Katrina shall be
20 15 percent.

1 **SEC. 803. LOCAL PARTICIPATION GOAL FOR PARTICIPA-**
2 **TION IN FEDERAL PROCUREMENT CON-**
3 **TRACTS IN AREAS AFFECTED BY HURRICANE**
4 **KATRINA.**

5 (a) **PROCUREMENT GOAL.**—There is hereby estab-
6 lished a Government-wide goal for procurement contracts
7 awarded to local businesses in any area affected by Hurri-
8 cane Katrina. For fiscal years 2005, 2006, and 2007, the
9 goal shall be 30 percent of the total value of all prime
10 contract and subcontract awards for each such fiscal year.
11 The goal established under this section shall be treated
12 and administered in the same manner as goals established
13 under section 15(g)(1) of the Small Business Act (15
14 U.S.C. 644(g)(1)).

15 (b) **LOCAL BUSINESS DEFINED.**—In this section, the
16 term “local business” means any business owned by a per-
17 son residing in or incorporated in any area affected by
18 Hurricane Katrina.

19 **SEC. 804. REQUIREMENT FOR HURRICANE RECOVERY-RE-**
20 **LATED CONTRACTS TO REQUIRE 40 PERCENT**
21 **OF CONTRACT WORKERS BE LOCAL RESI-**
22 **DENTS.**

23 (a) **REQUIREMENT.**—Any contract awarded by the
24 Federal Government for recovery or reconstruction activi-
25 ties to be carried out in areas affected by Hurricane
26 Katrina shall include a requirement that at least 40 per-

1 cent of the workers performing the work under the con-
2 tract be local residents.

3 (b) LOCAL RESIDENT.—For purposes of this section,
4 a local resident is a person who had a permanent residence
5 in the areas affected by Hurricane Katrina before Hurri-
6 cane Katrina struck.

7 **SEC. 805. REQUIREMENT FOR HURRICANE RECOVERY-RE-**
8 **LATED CONTRACTS TO INCLUDE FINANCIAL**
9 **INCENTIVES FOR CONTRACTORS TO MEET**
10 **GOALS SPECIFIED IN THE CONTRACTS.**

11 Any contract awarded by the Federal Government for
12 recovery or reconstruction activities to be carried out in
13 areas affected by Hurricane Katrina shall include a finan-
14 cial incentive or incentives for the contractor to meet any
15 goals specified in the contract, such as goals to award sub-
16 contracts to small businesses owned and controlled by so-
17 cially and economically disadvantaged individuals, to local
18 businesses, or to subcontractors that will use local resi-
19 dents to perform work under the subcontract.

20 **SEC. 806. APPRENTICESHIP AND OTHER REQUIREMENTS**
21 **FOR POST-HURRICANE RECONSTRUCTION.**

22 (a) APPRENTICESHIP PROGRAMS.—Any hurricane re-
23 construction contractor shall be required to utilize an ap-
24 prenticeship program certified under subsection (b) that
25 includes, as a part thereof, a pre-apprenticeship program

1 that helps prepare individuals for the apprenticeship pro-
2 gram and for the basics tests necessary to become an ap-
3 prentice.

4 (b) CERTIFICATION.—An apprenticeship program
5 may be certified for purposes of this section if such pro-
6 gram—

7 (1) is certified by a State employment services
8 authority or other local authority that oversees ap-
9 prenticeship and job training programs; or

10 (2) is registered with the Bureau of Apprentice-
11 ship and Training of the Department of Labor
12 under part 29 of chapter 1 of title 29, Code of Fed-
13 eral Regulations.

14 (c) DEFINITIONS.—In this section:

15 (1) The term “hurricane reconstruction con-
16 tractor” means a person or entity receiving Federal
17 funds provided under the Robert T. Stafford Dis-
18 aster Relief and Emergency Assistance Act (42
19 U.S.C 5121 et seq.), or party to a contract funded
20 under such Act, for repair or reconstruction in the
21 regions affected by Hurricane Katrina.

22 (2) The term “regions affected by Hurricane
23 Katrina” means a county or parish in Mississippi,
24 Alabama, or Texas, or a parish in Louisiana, where
25 a major disaster has been declared under section

1 401 of the Robert T. Stafford Disaster Relief and
2 Emergency Assistance Act (42 U.S.C 5170) as a re-
3 sult of Hurricane Katrina.

4 **SEC. 807. RESTATEMENT OF FULL APPLICATION OF STATU-**
5 **TORY REQUIREMENTS OF EQUAL EMPLOY-**
6 **MENT OPPORTUNITY APPLICABLE TO CON-**
7 **TRACTS AND SUBCONTRACTS TO PROVIDE**
8 **HURRICANE KATRINA RELIEF.**

9 (a) CONTINUING NONDISCRIMINATION REQUIRED IN
10 CONTRACTS AND SUBCONTRACTS TO PROVIDE HURRI-
11 CANE KATRINA RELIEF.—The provisions of—

12 (1) Executive Order No. 11246 (42 U.S.C.
13 2000e–1 note), excluding section 204 of such order,

14 (2) section 503 of the Rehabilitation Act of
15 1973 (29 U.S.C. 793), excluding subsection (c) of
16 such section, and

17 (3) section 4212 of title 38 of the United States
18 Code,

19 shall apply with respect to contracts and subcontracts en-
20 tered into to provide Hurricane Katrina relief, in the same
21 manner as such provisions apply to contracts and sub-
22 contracts with respect to which the Secretary of Labor has
23 not granted any waiver or any exemption with respect to
24 any of such provisions.

1 (b) WAIVERS AND EXEMPTIONS VOID.—Every waiver
2 of, and every exemption from, the application of any provi-
3 sion of law referred to in subsection (a) granted by the
4 Secretary of Labor with respect to contracts and sub-
5 contracts to provide Hurricane Katrina relief, granted be-
6 fore the date of the enactment of the Act are void as of
7 the date of the enactment of this Act.

8 **Subtitle B—Disaster Loans and**
9 **Small Business Relief**

10 **SEC. 811. DEFINITIONS.**

11 In this subtitle—

12 (1) the terms “Administration” and “Adminis-
13 trator” mean the Small Business Administration
14 and the Administrator thereof, respectively;

15 (2) the term “Disaster Area” means an area
16 which the President has designated as a disaster
17 area as a result of Hurricane Katrina of August
18 2005; and

19 (3) the term “small business concern” has the
20 same meaning as under section 3 of the Small Busi-
21 ness Act (15 U.S.C. 632).

22 **SEC. 812. DISASTER LOANS AFTER HURRICANE KATRINA.**

23 (a) LOANS TO NONPROFITS.—The Administrator
24 may make a loan under section 7(b) of the Small Business
25 Act (15 U.S.C. 636(b)) (either directly or in cooperation

1 with a bank or other lending institution through agree-
2 ments to participate on an immediate or deferred basis)
3 to a nonprofit organization located or operating in a Dis-
4 aster Area or providing services to persons who have evac-
5 uated from a Disaster Area.

6 (b) INCREASED LOAN CAPS.—

7 (1) AGGREGATE LOAN AMOUNTS.—Except as
8 provided in paragraph (2), the aggregate amount of
9 all loans outstanding and committed to a borrower
10 under such section (except for loans under para-
11 graph (5) or (6) of such section) made by reason of
12 Hurricane Katrina, may not exceed \$10,000,000.

13 (2) WAIVER AUTHORITY.—The Administrator
14 may, at the discretion of the Administrator, waive
15 the aggregate loan amount established under para-
16 graph (1).

17 (c) DEFERMENT OF DISASTER LOAN PAYMENTS.—

18 (1) IN GENERAL.—Notwithstanding any other
19 provision of law, payments of principal and interest
20 on a loan under section 7(b) of the Small Business
21 Act (15 U.S.C. 636(b)) to a borrower located in a
22 Disaster Area made before August 24, 2007, shall
23 be deferred, and no interest shall accrue with respect
24 to such loan, during the time period described in
25 paragraph (2).

1 (2) TIME PERIOD.—

2 (A) IN GENERAL.—The time period re-
3 ferred to in paragraph (1) is the one-year pe-
4 riod that begins on the latter of the following
5 dates:

6 (i) The date of the enactment of this
7 subtitle.

8 (ii) The date on which the loan is
9 made.

10 (B) EXTENSION.—The Administrator may
11 extend the time period described in subpara-
12 graph (A) for one year after the date on which
13 it would otherwise expire, if the Administrator
14 finds that such an extension is appropriate.

15 (3) RESUMPTION OF PAYMENTS.—Upon the ex-
16 piration of the time period described in paragraph
17 (2), the payment of periodic installments of principal
18 and interest shall be required with respect to a loan
19 for which payments are deferred under paragraph
20 (1) in the same manner and subject to the same
21 terms and conditions as would otherwise apply.

22 (d) REFINANCING DISASTER LOANS AFTER HURRI-
23 CANE KATRINA.—

24 (1) REFINANCING PERMITTED.—A small busi-
25 ness concern that is located in a Disaster Area or

1 was located in such an area as of August 24, 2005,
2 may refinance any loan made under section 7(b) of
3 the Small Business Act (15 U.S.C. 636(b)) that, as
4 of August 24, 2005, was outstanding as to principal
5 or interest, and the refinanced amount shall be con-
6 sidered to be part of the new loan for purposes of
7 this subsection and section 7(b) of the Small Busi-
8 ness Act (15 U.S.C. 636(b)).

9 (2) NO EFFECT ON ELIGIBILITY FOR OTHER
10 LOANS.—A refinancing under paragraph (1) by a
11 small business concern shall have no effect on the
12 eligibility of that small business concern for any
13 other loan under the Small Business Act (15 U.S.C.
14 632 et seq.).

15 (3) INTEREST RATE.—A loan under this sub-
16 section shall be made at the same interest rate as
17 economic injury loans under section 7(b)(2) of the
18 Small Business Act (15 U.S.C. 636(b)(2)).

19 (e) REFINANCING BUSINESS DEBT.—

20 (1) REFINANCING PERMITTED.—A small busi-
21 ness concern that is located in a Disaster Area or
22 was located in such an area as of August 24, 2005,
23 may refinance any business debt of that small busi-
24 ness concern that was outstanding as to principal or
25 interest as of August 24, 2005.

1 (2) PRINCIPAL AND INTEREST.—With respect
2 to a refinancing under this subsection, payments of
3 principal shall be deferred, and interest may accrue,
4 during the 1-year period beginning on the date of
5 the refinancing, and the refinanced amount shall be
6 considered to be part of a new loan for purposes of
7 this subsection and section 7(b) of the Small Busi-
8 ness Act (15 U.S.C. 636(b)).

9 (3) RESUMPTION OF PAYMENTS.—Upon the ex-
10 piration of the one-year period described in para-
11 graph (2), the payment of periodic installments of
12 principal and interest shall be required with respect
13 to a refinancing for which payments are deferred
14 under such paragraph in the same manner and sub-
15 ject to the same terms and conditions as would oth-
16 erwise apply.

17 (4) INTEREST RATE.—A loan under this sub-
18 section shall be made at the same interest rate as
19 economic injury loans under section 7(b)(2) of the
20 Small Business Act (15 U.S.C. 636(b)(2)).

21 (f) EXTENDED APPLICATION PERIOD.—Notwith-
22 standing any other provision of law, the Administrator
23 shall accept applications for assistance under this section
24 from small business concerns adversely affected by Hurri-
25 cane Katrina until one year after the date on which the

1 President designated the area as a disaster area as a re-
2 sult of Hurricane Katrina.

3 (g) NO SALE.—No loan under this section made as
4 a result of Hurricane Katrina may be sold.

5 **SEC. 813. NATIONWIDE DISASTER LOANS.**

6 (a) LOANS AUTHORIZED.—The Administrator may
7 make such loans as the Administrator determines appro-
8 priate under section 7(b) of the Small Business Act (15
9 U.S.C. 636(b)) (either directly or in cooperation with
10 banks or other lending institutions through agreements to
11 participate on an immediate or deferred basis) to a small
12 business concern, small agricultural cooperative, small
13 nursery, or small producer cooperative located anywhere
14 in the United States that demonstrates a direct adverse
15 economic impact caused by Hurricane Katrina, based on
16 such criteria as the Administrator may set by rule, regula-
17 tion, or order.

18 (b) DISASTER MITIGATION.—

19 (1) IN GENERAL.—Section 7(b)(1)(A) of the
20 Small Business Act (15 U.S.C. 636(b)(1)(A)) is
21 amended by inserting “of the aggregate costs of
22 such damage or destruction (whether or not com-
23 pensated for by insurance or otherwise)” after “20
24 per centum”.

1 (2) EFFECTIVE DATE.—The amendment made
2 by paragraph (1) shall apply with respect to a loan
3 or guarantee made after the date of enactment of
4 this Act.

5 (c) TECHNICAL AMENDMENTS.—Section 7(b) of the
6 Small Business Act (15 U.S.C. 636(b)) is amended—

7 (1) in the matter preceding paragraph (1), by
8 striking “the, Administration” and inserting “the
9 Administration”;

10 (2) in paragraph (2)(A), by striking “Disaster
11 Relief and Emergency Assistance Act” and inserting
12 “Robert T. Stafford Disaster Relief and Emergency
13 Assistance Act (42 U.S.C. 5121 et seq.)”; and

14 (3) in the undesignated matter at the end—

15 (A) by striking “, (2), and (4)” and insert-
16 ing “and (2)”; and

17 (B) by striking “, (2), or (4)” and insert-
18 ing “(2)”.

19 (d) DISASTER LOAN ADDITIONAL AMOUNTS.—In ad-
20 dition to any other amounts otherwise appropriated for
21 such purpose, there is authorized to be appropriated to
22 the Administration \$86,000,000, to make loans under sec-
23 tion 7(b) of the Small Business Act.

1 **SEC. 814. SMALL BUSINESS EMERGENCY RELIEF.**

2 (a) BUSINESS LOAN PROGRAMS.—Section
3 20(e)(1)(B) of the Small Business Act (15 U.S.C. 631
4 note) is amended—

5 (1) in the matter preceding clause (i), by strik-
6 ing “\$25,050,000,000” and inserting
7 “\$40,050,000,000”;

8 (2) in clause (i), by striking “\$17,000,000,000”
9 and inserting “\$27,000,000,000”; and

10 (3) in clause (ii), by striking “\$7,500,000,000”
11 and inserting “\$12,500,000,000”.

12 (b) GRANTS TO STATES ADVERSELY AFFECTED BY
13 HURRICANE KATRINA.—

14 (1) IN GENERAL.—The Secretary of Commerce
15 shall make grants to the States of Louisiana, Ala-
16 bama, and Mississippi to be used by appropriate
17 State agencies in accordance with this subsection.

18 (2) DISBURSEMENT OF FUNDS.—The Secretary
19 of Commerce shall make grants under paragraph (1)
20 in the most expeditious manner possible to the des-
21 ignated States, based on—

22 (A) the number of businesses directly dam-
23 aged or disrupted by reason of Hurricane
24 Katrina in the State;

25 (B) the number of residents displaced from
26 the State by reason of Hurricane Katrina;

1 (C) the number of jobs lost or disrupted by
2 reason of Hurricane Katrina in the State;

3 (D) the extent of economic disruption by
4 reason of Hurricane Katrina in the State; and

5 (E) the number of evacuees from any other
6 State by reason of Hurricane Katrina to whom
7 the designated State is providing assistance.

8 (3) USE OF FUNDS.—

9 (A) IN GENERAL.—Grants awarded to a
10 State under paragraph (1) shall be used by the
11 State to provide bridge grants and loans, which
12 may be made to any person located in a Dis-
13 aster Area who was directly adversely affected
14 by Hurricane Katrina, to assist such person in
15 covering costs until the person is able to obtain
16 loans through Administration assistance pro-
17 grams or other sources.

18 (B) REIMBURSEMENT.—A State may use a
19 grant awarded under paragraph (1) as reim-
20 bursement for any State funds used to provide
21 bridge grants or loans to any person located in
22 a Disaster Area who was directly adversely af-
23 fected by Hurricane Katrina before the date on
24 which the funds authorized under paragraph
25 (1) are disbursed.

1 (C) CRITERIA.—Notwithstanding any
2 other provision of law, in making bridge grants
3 and loans under subparagraph (A), the State
4 may use such criteria as the State determines
5 appropriate, and shall not be required to apply
6 eligibility criteria for programs administered by
7 the Department of Commerce.

8 (D) TERMS.—For any loan made by a
9 State under subparagraph (A)—

10 (i) such a loan may initially be a
11 noncollateralized, low-interest loan;

12 (ii) payments and interest on such a
13 loan may be deferred for at least 1 year
14 after the date on which the loan is made;

15 (iii) the balance remaining on such a
16 loan 5 years after the date on which the
17 loan is made may be forgiven entirely by
18 the State, if the borrower has continued to
19 operate during that 5-year period in a Dis-
20 aster Area; and

21 (iv) such a loan may be forgiven by
22 the State, under such terms as it may set,
23 if the borrower cannot repay such loan.

24 (E) ADMINISTRATIVE EXPENSES.—The
25 Department of Commerce may use not more

1 than \$1,000,000 of the funds authorized under
2 paragraph (4) to administer the provision of
3 grants to the designated States under this sub-
4 section.

5 (4) AUTHORIZATION OF APPROPRIATIONS.—

6 There is authorized to be appropriated to the Sec-
7 retary of Commerce \$450,000,000 for the Economic
8 Development Administration of the Department of
9 Commerce to carry out this subsection.

10 **SEC. 815. AUTHORIZATION OF APPROPRIATIONS FOR BUSI-**
11 **NESS COUNSELING.**

12 In addition to any other amounts authorized for any
13 fiscal year, there are authorized to be appropriated to the
14 Administration, to remain available until expended, for fis-
15 cal year 2006—

16 (1) \$21,000,000, to be used for activities of
17 small business development centers pursuant to sec-
18 tion 21 of the Small Business Act (15 U.S.C. 648),
19 not less than \$15,000,000 of which shall be non-
20 matching funds and used to aid and assist small
21 business concerns affected by Hurricane Katrina;

22 (2) \$2,000,000, to be used for the SCORE pro-
23 gram authorized by section 8(b)(1) of the Small
24 Business Act (15 U.S.C. 637(b)(1)), for the activi-
25 ties described in subparagraph (B)(ii) of such sec-

1 tion, not less than \$1,000,000 of which shall be used
2 to aid and assist small business concerns affected by
3 Hurricane Katrina;

4 (3) \$4,500,000, to be used for activities of
5 women's business centers authorized by section
6 29(b) of the Small Business Act (15 U.S.C. 656(b))
7 and for recipients of a grant under section 29(l) of
8 that Act (15 U.S.C. 656(l)), not less than
9 \$2,500,000 of which shall be non-matching funds
10 used to aid and assist small business concerns af-
11 fected by Hurricane Katrina, which may also be
12 made available to a women's business center whose
13 5-year project ended in fiscal year 2004;

14 (4) \$1,250,000, to be used for activities of the
15 office of veteran's business development pursuant to
16 section 32 of the Small Business Act (15 U.S.C.
17 657b), not less than \$750,000 of which shall be used
18 to aid and assist small business concerns affected by
19 Hurricane Katrina; and

20 (5) \$5,000,000, to be used for activities of the
21 microloan program authorized by clauses (ii) and
22 (iii) of section 7(m)(1)(G) of the Small Business Act
23 (15 U.S.C. 636(m)(1)(G)) to aid and assist small
24 business concerns adversely affected by Hurricane
25 Katrina.

1 **SEC. 816. SMALL BUSINESS DEVELOPMENT CENTERS.**

2 (a) AVAILABILITY OF GRANTS.—The Administrator
3 shall make available grants under section 21 of the Small
4 Business Act (15 U.S.C. 648) to small business develop-
5 ment centers assisting small business concerns adversely
6 affected by Hurricane Katrina.

7 (b) WAIVER OF MAXIMUM GRANT AMOUNT.—For
8 each of fiscal years 2005 and 2006, the Administrator
9 may waive the maximum amount of \$100,000 for non-
10 matching grants under section 21(a)(4)(C)(viii) of the
11 Small Business Act (15 U.S.C. 648(a)(4)(C)(viii)).

12 (c) ASSISTANCE TO SMALL BUSINESS CONCERNS IN
13 DISASTER AREAS.—

14 (1) The Administrator shall authorize any small
15 business development center, regardless of location,
16 to provide advice, information, and assistance, as de-
17 scribed in section 21(c) of such Act (15 U.S.C.
18 648(c)), to a small business concern located in a
19 Disaster Area.

20 (2) A small business development center that
21 provides counselors to a Disaster Area shall, to the
22 maximum extent practicable, ensure continuity of
23 services in the State it currently serves.

24 **SEC. 817. HUBZONES.**

25 Notwithstanding any other provision of law, a Dis-
26 aster Area shall be deemed to be a historically

1 underutilized business zone within the meaning of section
2 3(p)(1) of the Small Business Act (15 U.S.C. 632(p)(1).

3 **SEC. 818. SMALL BUSINESS BONDING THRESHOLD.**

4 (a) IN GENERAL.—Notwithstanding any other provi-
5 sion of law, for all procurements related to Hurricane
6 Katrina, the Administrator may, upon such terms and
7 conditions as the Administrator may prescribe, guarantee,
8 and enter into commitments to guarantee any surety
9 against loss resulting from a breach of the terms of a bid
10 bond, payment bond, performance bond, or bonds ancillary
11 thereto, by a principal on any total work order or contract
12 amount at the time of bond execution that does not exceed
13 \$5,000,000

14 (b) DISCRETIONARY INCREASE.—The Administrator
15 may increase the maximum amount of a work order or
16 contract to which subsection (a) applies to \$10,000,000,
17 at the discretion of the Administrator.

18 **SEC. 819. LOAN DEFAULTS.**

19 Notwithstanding any other provision of law, no loan
20 made before August 24, 2005, under subsection (a) or (m)
21 of section 7 of the Small Business Act (15 U.S.C. 636)
22 or under title III or section 503 of the Small Business
23 Investment Act of 1958 (15 U.S.C. 661 et seq.) for which
24 the borrower goes into default by reason of Hurricane
25 Katrina shall be considered a cost (as that term is defined

1 in section 502 of the Federal Credit Reform Act of 1990
2 (2 U.S.C. 622)) to the Administration for purposes of cal-
3 culating the subsidy rate for loans under subsection (a)
4 or (m) of section 7 of the Small Business Act or title III
5 or section 503 of the Small Business Investment Act of
6 1958, respectively.

7 **SEC. 820. BUDGETARY TREATMENT OF LOANS AND**
8 **FINANCINGS.**

9 (a) IN GENERAL.—Assistance made available under
10 any loan made or approved by the Administration under
11 this subtitle, subsections (a) or (b) of section 7 of the
12 Small Business Act (15 U.S.C. 636), or financings made
13 under title V of the Small Business Investment Act of
14 1958 (15 U.S.C. 695 et seq.), on and after the date of
15 enactment of this subtitle, shall be treated as separate pro-
16 grams of the Administration for purposes of the Federal
17 Credit Reform Act of 1990 only.

18 (b) USE OF FUNDS.—Assistance under this subtitle
19 and the amendments made by this subtitle shall be avail-
20 able only to the extent that funds are made available
21 under appropriations Acts, which funds shall be utilized
22 to offset the cost (as such term is defined in section 502
23 of the Federal Credit Reform Act of 1990) of such assist-
24 ance.

1 **SEC. 821. EMERGENCY PROCUREMENT AUTHORITY.**

2 (a) SMALL BUSINESS RESERVATION OFFSET.—Sec-
3 tion 15(j) of the Small Business Act (15 U.S.C. 644(j))
4 is amended by adding at the end the following:

5 “(4) For any contract involving the use of the special
6 emergency procurement authority under section 32A(c) of
7 the Office of Federal Procurement Policy Act (41 U.S.C.
8 428a(c)), the dollar ceiling of the small business reserva-
9 tion established in paragraph (1) shall be adjusted to
10 match the applicable amount of the simplified acquisition
11 threshold.”.

12 (b) RETENTION OF SMALL BUSINESS SUBCON-
13 TRACTING.—Section 8(d)(4)(D) of the Small Business Act
14 (15 U.S.C. 637(d)(4)(D)) is amended—

15 (1) by striking “(D) No contract” and inserting
16 the following:

17 “(D) SMALL BUSINESS PARTICIPATION.—

18 “(i) IN GENERAL.—No contract”; and

19 (2) by adding at the end the following:

20 “(ii) EMERGENCY PROCUREMENTS.—

21 “(I) IN GENERAL.—For any contract that
22 otherwise meets the requirements of this sub-
23 section and that involves the use of special
24 emergency procurement authority under section
25 32A(c) of the Office of Federal Procurement
26 Policy Act (41 U.S.C. 428a(c)), the subcon-

tracting plan required under this subsection shall be negotiated as soon as is practicable, but not later than 30 days after the date on which the contract is awarded.

“(II) PAYMENT.—Not more than 50 percent of the amount due under any contract described in subclause (I) may be paid, unless a subcontracting plan compliant with this subsection is negotiated by the contractor.”.

TITLE IX—TAX PROVISIONS

SEC. 901. HOME PURCHASE BY VICTIMS OF HURRICANE KATRINA.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25D the following new section:

“SEC. 25E. HOME PURCHASE BY INDIVIDUALS DISPLACED BY HURRICANE KATRINA.

“(a) ALLOWANCE OF CREDIT.—In the case of an eligible homebuyer who purchases a principal residence in the Hurricane Katrina disaster area, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to so much of the purchase price of the residence as does not exceed \$5,000.

1 “(b) LIMITATION BASED ON MODIFIED ADJUSTED
2 GROSS INCOME.—

3 “(1) IN GENERAL.—The amount allowable as a
4 credit under subsection (a) (determined without re-
5 gard to this subsection and subsection (d)) for the
6 taxable year shall be reduced (but not below zero) by
7 the amount which bears the same ratio to the credit
8 so allowable as—

9 “(A) the excess (if any) of—

10 “(i) the taxpayer’s modified adjusted
11 gross income for such taxable year, over

12 “(ii) \$70,000 (\$110,000 in the case of
13 a joint return), bears to

14 “(B) \$20,000.

15 “(2) MODIFIED ADJUSTED GROSS INCOME.—

16 For purposes of paragraph (1), the term ‘modified
17 adjusted gross income’ means the adjusted gross in-
18 come of the taxpayer for the taxable year increased
19 by any amount excluded from gross income under
20 section 911, 931, or 933.

21 “(c) ELIGIBLE HOMEBUYER.—For purposes of this
22 section—

23 “(1) IN GENERAL.—The term ‘eligible home-
24 buyer’ means any individual if—

1 “(A) on August 29, 2005, the principal
2 place of abode of such individual (and if mar-
3 ried, such individual’s spouse) was located in
4 the Hurricane Katrina disaster area, and such
5 principal place of abode was rendered uninhab-
6 itable by Hurricane Katrina, and

7 “(B) the principal residence for which the
8 credit is allowed under subsection (a) is located
9 in the same State as such principal place of
10 abode.

11 “(2) ONE-TIME ONLY.—If an individual is al-
12 lowed a credit under this section with respect to any
13 principal residence, such individual may not be al-
14 lowed a credit under this section with respect to any
15 other principal residence.

16 “(3) PRINCIPAL RESIDENCE.—The term ‘prin-
17 cipal residence’ has the same meaning as when used
18 in section 121.

19 “(d) CARRYOVER OF CREDIT.—If the credit allowable
20 under subsection (a) exceeds the limitation imposed by
21 section 26(a) for such taxable year reduced by the sum
22 of the credits allowable under this subpart (other than this
23 section and sections 23, 24, 25B, and 1400C) such excess
24 shall be carried to the succeeding taxable year and added

1 to the credit allowable under subsection (a) for such tax-
2 able year.

3 “(e) OTHER DEFINITIONS AND SPECIAL RULES.—

4 For purposes of this section—

5 “(1) HURRICANE KATRINA DISASTER AREA.—

6 The term ‘Hurricane Katrina disaster area’ means
7 an area determined by the President to warrant as-
8 sistance from the Federal Government under the
9 Robert T. Stafford Disaster Relief and Emergency
10 Assistance Act by reason of Hurricane Katrina.

11 “(2) ALLOCATION OF DOLLAR LIMITATION.—

12 “(A) MARRIED INDIVIDUALS FILING SEPA-
13 RATELY.—In the case of a married individual
14 filing a separate return, subsection (a) shall be
15 applied by substituting ‘\$2,500’ for ‘\$5,000.’

16 “(B) OTHER TAXPAYERS.—If 2 or more
17 individuals who are not married purchase a
18 principal residence, the amount of the credit al-
19 lowed under subsection (a) shall be allocated
20 among such individuals in such manner as the
21 Secretary may prescribe, except that the total
22 amount of the credits allowed to all such indi-
23 viduals shall not exceed \$5,000.

24 “(3) PURCHASE.—

1 “(A) IN GENERAL.—The term ‘purchase’
2 means any acquisition, but only if—

3 “(i) the property is not acquired from
4 a person whose relationship to the person
5 acquiring it would result in the disallow-
6 ance of losses under section 267 or 707(b)
7 (but, in applying section 267(b) and (c) for
8 purposes of this section, paragraph (4) of
9 section 267(c) shall be treated as providing
10 that the family of an individual shall in-
11 clude only his spouse, ancestors, and lineal
12 descendants), and

13 “(ii) the basis of the property in the
14 hands of the person acquiring it is not de-
15 termined—

16 “(I) in whole or in part by ref-
17 erence to the adjusted basis of such
18 property in the hands of the person
19 from whom acquired, or

20 “(II) under section 1014(a) (re-
21 lating to property acquired from a de-
22 cedent).

23 “(B) CONSTRUCTION.—A residence which
24 is constructed by the taxpayer shall be treated

1 as purchased by the taxpayer on the date the
2 taxpayer first occupies such residence.

3 “(4) PURCHASE PRICE.—The term ‘purchase
4 price’ means the adjusted basis of the principal resi-
5 dence on the date such residence is purchased.

6 “(f) REPORTING.—If the Secretary requires informa-
7 tion reporting under section 6045 by a person described
8 in subsection (e)(2) thereof to verify the eligibility of tax-
9 payers for the credit allowable by this section, the excep-
10 tion provided by section 6045(e)(5) shall not apply.

11 “(g) BASIS ADJUSTMENT.—For purposes of this sub-
12 title, if a credit is allowed under this section with respect
13 to the purchase of any residence, the basis of such resi-
14 dence shall be reduced by the amount of the credit so al-
15 lowed.

16 “(h) APPLICATION OF SECTION.—This section shall
17 apply to property purchased after August 28, 2005, and
18 before January 1, 2007.”.

19 (b) CONFORMING AMENDMENT.—Section 1016(a) of
20 such Code is amended by striking “and” at the end of
21 paragraph (36), by striking the period at the end of para-
22 graph (37) and inserting “, and”, and by adding at the
23 end the following new paragraph:

24 “(38) to the extent provided in section
25 25E(g).”.

1 (c) CLERICAL AMENDMENT.—The table of sections
 2 for subpart A of part IV of subchapter A of chapter 1
 3 of such Code is amended by inserting after the item relat-
 4 ing to section 25D the following new item:

“Sec. 25E. Home purchase by individuals displaced by Hurricane Katrina.”.

5 (d) EFFECTIVE DATE.—The amendments made by
 6 this section shall apply to taxable years ending after the
 7 date of the enactment of this Act.

8 **SEC. 902. RELIEF THROUGH LOW-INCOME HOUSING CRED-**
 9 **IT RELATING TO HURRICANE KATRINA.**

10 (a) INCREASE IN HOUSING CREDIT DOLLAR
 11 AMOUNT.—For purposes of determining the State housing
 12 credit ceiling of the States of Alabama, Louisiana, and
 13 Mississippi for 2006 and 2007, section 42(h)(3)(C)(ii)(I)
 14 of the Internal Revenue Code of 1986 shall be applied by
 15 substituting “\$3.70” for “\$1.75”.

16 (b) AUTHORITY TO WAIVE PERCENTAGE LIMITATION
 17 TO TREAT HURRICANE KATRINA DISASTER AREAS AS
 18 DIFFICULT DEVELOPMENT AREAS.—In the case of tax-
 19 able years beginning in 2005, 2006, and 2007, any area
 20 in the State of Alabama, Louisiana, or Mississippi located
 21 within the area determined by the President to warrant
 22 assistance from the Federal Government under the Robert
 23 T. Stafford Disaster Relief and Emergency Assistance Act
 24 by reason of Hurricane Katrina shall be treated as a dif-
 25 ficult development area for purposes of section

1 42(d)(5)(C) of the Internal Revenue Code of 1986, not-
 2 withstanding the percentage limitation in clause (iii)(II)
 3 of such section.

4 (c) WAIVER OF FULL SUBSCRIPTION REQUIRE-
 5 MENT.—In the case of the States of Alabama, Louisiana,
 6 and Mississippi for 2005, 2006, and 2007, section
 7 42(h)(3)(D) of such Code shall be applied without regard
 8 to clause (iv)(I) of such section.

9 **SEC. 903. TAX EXEMPT BONDS FOR QUALIFIED GULF COAST**
 10 **RECOVERY PROJECTS.**

11 Section 149(h) of the Internal Revenue Code of 1986
 12 (relating to bonds that must be registered to be tax ex-
 13 empt; other requirements) is amended by adding at the
 14 end the following:

15 “(h) TREATMENT OF GULF COAST RECOVERY
 16 BONDS.—

17 “(1) IN GENERAL.—Section 103(a) shall apply
 18 to any qualified Gulf Coast recovery bond.

19 “(2) QUALIFIED GULF COAST RECOVERY
 20 BOND.—For purposes of this subsection, the term
 21 ‘qualified Gulf Coast recovery bond’ means any bond
 22 if—

23 “(A) the issuer reasonably expects that at
 24 least 95 percent of the net proceeds of the issue

1 will be used for facilities in a qualified hurri-
2 cane disaster area,

3 “(B) the issue of which such bond is a part
4 would, without regard to the application of sub-
5 section (b) and section 146, otherwise meet the
6 requirements for excluding the interest on such
7 bond from gross income under section 103 and
8 applicable requirements of this part, and

9 “(C) if the aggregate face amount of bonds
10 of which such bond is a part issued pursuant to
11 such issue, when added to the aggregate face
12 amount of qualified Gulf Coast recovery bonds
13 previously issued by the issuing authority dur-
14 ing the calendar year, does not exceed such
15 authority’s volume cap specified in paragraph
16 (4).

17 “(3) FEDERAL GUARANTEE.—For purposes of
18 this subsection—

19 “(A) FEDERAL GUARANTEE.—The Sec-
20 retary may guarantee the payment of principal
21 or interest with respect to any qualified Gulf
22 Coast recovery bond under such terms and con-
23 ditions as the Secretary may require, except
24 that in the case of a default of such bond, the
25 Secretary shall condition the granting of such

1 guarantee on the agreement by the State to a
2 repayment schedule (including interest) for
3 such bonds.

4 “(B) TREATMENT OF BOND AS TAX EX-
5 EMPT.—Subparagraph (b) shall not apply to a
6 qualified Gulf Coast recovery bond.

7 “(4) VOLUME CAP.—For purposes of this sub-
8 section, the volume cap for a State shall be—

9 “(A) in the case of the State of Alabama,
10 \$10,000,000,000,

11 “(B) in the case of the State of Louisiana,
12 \$20,000,000,000,

13 “(C) in the case of the State of Mis-
14 sissippi, \$20,000,000,000, and

15 “(D) zero in any other case.

16 “(5) QUALIFIED HURRICANE DISASTER AREA.—
17 The term ‘qualified hurricane disaster area’ means
18 the portion of an area determined by the President
19 to warrant individual or individual and public assist-
20 ance from the Federal Government under the Robert
21 T. Stafford Disaster Relief and Emergency Assist-
22 ance Act with respect to which a major disaster has
23 been declared under section 401 of such Act by rea-
24 son of Hurricane Katrina.

1 “(6) SECTION 146 NOT APPLICABLE.—Section
2 146 shall not apply with respect to any bond issued
3 under this subsection.

4 “(7) TERMINATION.—This subsection shall not
5 apply to bonds issued after December 31, 2010.”.

6 **TITLE X—BANKRUPTCY**

7 **SEC. 1001. SHORT TITLE.**

8 This title may be cited as the “Hurricane Katrina
9 Bankruptcy Relief and Community Protection Act of
10 2005”.

11 **SEC. 1002. DEFINITIONS; WHO MAY BE A DEBTOR.**

12 (a) CURRENT MONTHLY INCOME.—Section
13 101(10A)(B) is amended—

14 (1) by striking “and payments” and inserting
15 “payments”, and

16 (2) by inserting before the period at the end “,
17 and payments to victims of a natural disaster on ac-
18 count of their status as victims of a natural dis-
19 aster”.

20 (b) NATURAL DISASTER; NATURAL DISASTER
21 ZONE.—Section 101 of title 11, United States Code, is
22 amended—

23 (1) by redesignating paragraphs (40A) and
24 (40B) as paragraphs (40C) and (40D), respectively,
25 and

1 (2) by inserting after paragraph (40) the fol-
2 lowing:

3 “(40A) The term ‘natural disaster’ means—

4 “(A) a major disaster, as defined in section
5 102 of the Robert T. Stafford Disaster Relief
6 and Emergency Assistance Act; or

7 “(B) a situation similar to such a major
8 disaster (as so defined), with respect to which
9 a determination is made in accordance with
10 State law that such situation exists.

11 “(40B) The term ‘natural disaster zone’ means
12 the geographical area included in the determination
13 of a natural disaster.”.

14 (c) VICTIM OF NATURAL DISASTER.—Section 101 of
15 title 11, United States Code, is amended by adding at the
16 end the following:

17 “(56) The term ‘victim of a natural disaster’
18 means a person—

19 “(A) whose financial condition is materi-
20 ally adversely affected by a natural disaster;
21 and

22 “(B) whose domicile, residence, or prin-
23 cipal place of business in the United States, or
24 whose principal assets in the United States, are
25 located in a natural disaster zone immediately

1 preceding the event that caused the natural dis-
2 aster exists.”.

3 (d) WHO MAY BE A DEBTOR.—Section 109(h)(4) of
4 title 11, United States Code, is amended by inserting
5 “natural disaster,” after “disability,”.

6 **SEC. 1003. AMENDMENT TO CHAPTER 3.**

7 Section 362(b)(22) of title 11, United States Code,
8 is amended by inserting “(excluding a debtor who is victim
9 of a natural disaster)” after “debtor” the 1st place it ap-
10 pears.

11 **SEC. 1004. AMENDMENTS TO CHAPTER 5.**

12 Section 521 of title 11, United States Code, is
13 amended by adding at the end the following:

14 “(k) The Court may extend any time period specified
15 in this section as may be necessary if—

16 “(1) the debtor is a victim of a natural disaster;
17 and

18 “(2) the debtor’s status as a victim of a natural
19 disaster necessitates such extension of time.”.

20 **SEC. 1005. AMENDMENTS TO CHAPTER 7.**

21 (a) DEBTOR’S MONTHLY EXPENSES.—Section
22 707(b)(2)(A)(ii) of title 11, United States Code, is amend-
23 ed by adding at the end the following:

24 “(IV) In addition, the debtor’s
25 monthly expenses may include the ac-

1 tual reasonably necessary expenses in-
2 curred as a result of being a victim of
3 a natural disaster.”.

4 (b) LIMITATION ON CONVERSION OF CASE.—Section
5 707(b)(2) of title 11, United States Code, is amended by
6 adding at the end the following:

7 “(E) Subparagraphs (A), (B), and (C)
8 shall not apply, and the court may not dismiss
9 or convert a case under section 707(b), if the
10 debtor is a victim of a natural disaster.”.

11 **SEC. 1006. AMENDMENTS TO CHAPTER 11.**

12 (a) CONVERSION OF CASE.—Section 1112(b) of title
13 11, United States Code is amended—

14 (1) in paragraph (2)(B)(i) by inserting “, in-
15 cluding a natural disaster” before the semicolon, and

16 (2) in paragraph (3) by inserting “(including a
17 natural disaster)” after “circumstances”.

18 (b) WHO MAY FILE A PLAN.—Section 1121(e)(3) of
19 title 11, United States Code, is amended—

20 (1) in subparagraph (A) by inserting “(i)” after
21 “(A)”,

22 (2) in subparagraph (C) by striking the period
23 at the end and inserting “; or”,

24 (3) by redesignating subparagraphs (B) and
25 (C) as clauses (ii) and (iii), respectively, and

1 (4) by adding at the end the following:

2 “(B) the debtor is unable to meet the
3 deadline because of a natural disaster.”.

4 (c) EXTENSION OF TIME FOR SMALL BUSINESSES.—

5 Chapter 11 of title 11, United States Code, is amended—

6 (1) in the table of sections by adding at the end
7 the following:

“1117. Extension of time for small businesses.”, and

8 (2) in subchapter I by adding at the end the
9 following:

10 **“§ 1117. Extension of time for small businesses**

11 “Notwithstanding any other provision of this title, in
12 a small business case the court may extend any deadline
13 specified in this chapter if the court finds that such exten-
14 sion is—

15 “(1) necessary to protect the best interests of
16 the creditors and the estate; or

17 “(2) warranted by a natural disaster.”.

18 **SEC. 1007. AMENDMENTS TO CHAPTER 13.**

19 (a) CONVERSION OR DISMISSAL.—Section 1307(e) of
20 title 11, United States Code, is amended by adding at the
21 end the following: “The Court may extend any time period
22 specified in this subsection as may be necessary if—

23 “(1) the debtor is a victim of a natural disaster;
24 and

1 “(2) the debtor’s status as a victim of a natural
2 disaster necessitates such extension of time.”.

3 (b) FILING OF PREPETITION TAX RETURNS.—Sec-
4 tion 1308 of title 11, United States Code, is amended by
5 adding at the end the following:

6 “(d) The Court may extend any time period specified
7 in this subsection as may be necessary if—

8 “(1) the debtor is a victim of a natural disaster;
9 and

10 “(2) the debtor’s status as a victim of a natural
11 disaster necessitates such extension of time.”.

12 **SEC. 1008. AMENDMENT TO TITLE 28 OF THE UNITED**
13 **STATES CODE.**

14 Section 1408 of title 28, United States Code, is
15 amended—

16 (1) by inserting “(a)” before “Except”, and

17 (2) by adding at the end the following:

18 “(b) If a case under title 11 cannot be commenced
19 in a district court described in subsection (a) because a
20 person is the victim of a natural disaster (as defined in
21 section 101 of title 11), then a case under title 11 may
22 be commenced by such person in the district court for the
23 district in which such person resides.”.

1 **SEC. 1009. EFFECTIVE DATE; APPLICATION OF AMEND-**
2 **MENTS.**

3 (a) EFFECTIVE DATE.—This title and the amend-
4 ments made by this title shall take effect on the date of
5 the enactment of this Act.

6 (b) APPLICATION OF AMENDMENTS.—The amend-
7 ments made by this title shall apply only with respect to
8 cases commenced under title 11 of the United States Code
9 on and after the date of the enactment of this Act.

10 **TITLE XI—MISCELLANEOUS**

11 **SEC. 1101. REIMBURSEMENTS.**

12 Upon the request of any government, organization,
13 individual, or other entity that provided rescue, housing,
14 or other services that would normally be provided by the
15 Federal Emergency Management Agency to a person or
16 persons heeding the Hurricane Katrina evacuation order
17 or to an evacuee from Hurricane Katrina (before, during
18 or after Hurricane Katrina), the Director of the Federal
19 Emergency Management Agency shall reimburse to such
20 government, organization, individual, or other entity the
21 cost of providing such services. The Director of the De-
22 partment of Homeland Security shall promulgate reason-
23 able rules, regulations, and processes for such reimburse-
24 ment.

1 **SEC. 1102. TEMPORARY FLOOD INSURANCE BUY-IN PRO-**
2 **GRAM.**

3 (a) IN GENERAL.—The Director of the Federal
4 Emergency Management Agency shall make available
5 flood insurance coverage under the national flood insur-
6 ance program available for eligible structures, in accord-
7 ance with this section.

8 (b) SCOPE OF COVERAGE.—

9 (1) ELIGIBLE LOSSES.—Coverage may be made
10 available under this section only for a damage or
11 loss to an eligible structure, but not including any
12 contents thereof, from flooding resulting from Hurri-
13 cane Katrina.

14 (2) AMOUNT.—The amount of such coverage
15 made available under this section for an eligible
16 structure may not exceed the lesser of—

17 (A) the maximum amount of coverage that
18 may be made available for such structure under
19 the national flood insurance program; and

20 (B) the amount of coverage provided for
21 the structure, as of August 28, 2005, under the
22 policy for losses caused by wind or windstorm
23 (as referred to in subsection (c)(3)).

24 (c) ELIGIBLE STRUCTURES.—For purposes of this
25 section, an eligible structure is a structure that—

1 (1) sustained damage from flooding resulting
2 from Hurricane Katrina of 2005;

3 (2) is of a type (including residential properties,
4 business properties, and others) for which coverage
5 was generally made available under the national
6 flood insurance program as of August 28, 2005;

7 (3) is located in a covered disaster area (as
8 such term is defined in subsection (h));

9 (4) as of August 28, 2005, was covered by an
10 insurance policy for losses caused by wind or wind-
11 storm;

12 (5) is not located in an area that has been iden-
13 tified by the Director as an area having special flood
14 hazards (as such term is used for purposes of sec-
15 tion 102 of the Flood Disaster Protection Act of
16 1973 (42 U.S.C. 4012a)); and

17 (6) was not covered by flood insurance made
18 available under the national flood insurance program
19 at the time of such damage.

20 (d) PREMIUMS.—

21 (1) AMOUNT.—The Director shall charge, for
22 coverage made available under this section for an eli-
23 gible structure, premiums in the amount equal to
24 105 percent of the aggregate amount of premiums
25 that would have been charged, at the time, for cov-

1 erage for the structure under the national flood in-
2 surance program (for the type and amount of cov-
3 erage provided) for the 10-year period that ends
4 upon the date of purchase of such coverage.

5 (2) DEDUCTION FROM CLAIMS.—The Director
6 shall provide that a purchaser of coverage made
7 available under this section may pay premiums
8 charged for such coverage pursuant to paragraph
9 (1) by deducting such amounts from the amount of
10 any claims payable under such coverage.

11 (3) CREDITS TO NFIF.—There shall be credited
12 to the National Flood Insurance Fund established
13 under section 1310 of the National Flood Insurance
14 Act of 1968 (42 U.S.C. 4017) the following
15 amounts:

16 (A) Any premiums collected pursuant to
17 this section.

18 (B) From amounts appropriated pursuant
19 to subsection (i)(1), an amount equal to the
20 amount of any premiums charged for coverage
21 made available under this subsection that are
22 not collected by the Director as a result of the
23 operation of paragraph (2) of this subsection.

24 (e) CLAIMS.—Claims for damage or loss pursuant to
25 coverage made available under this section may be paid

1 only from amounts made available in appropriation Acts
2 pursuant to subsection (i). Amounts in the National Flood
3 Insurance Fund established under section 1310 of the Na-
4 tional Flood Insurance Act of 1968, including any amount
5 credited to such Fund pursuant to subsection (d)(3), shall
6 not be available for paying claims under coverage made
7 available under this section.

8 (f) REQUIREMENTS TO OBTAIN FUTURE COVERAGE
9 AND TAKE MITIGATION ACTIONS.—The Director may not
10 make coverage available under this section for an eligible
11 structure unless the owner of the structure enters into
12 binding agreements, contained in such deed restrictions as
13 the Director considers appropriate, to ensure that such
14 owner, and any future owners, will—

15 (1) at all times after purchasing coverage under
16 this section for the structure, in perpetuity, maintain
17 coverage under the national flood insurance pro-
18 gram, for any structures located at any time on the
19 same property on which, at the time of purchase,
20 such eligible structure is located, in an amount at
21 least equal to the lesser of—

22 (A) the value of the structure, as deter-
23 mined by the Director; or

24 (B) the maximum limit of coverage made
25 available with respect to the particular type of

1 property under the national flood insurance
2 program; and

3 (2) accept any offer to take mitigation actions
4 or activities made, with respect to the structure,
5 under a mitigation program under section 1323,
6 1361A, or 1366 of the National Flood Insurance Act
7 of 1968 (42 U.S.C. 4030, 4102a, 4104c).

8 (g) PREMIUM RATES FOR FUTURE COVERAGE.—In
9 establishing rates for flood insurance coverage, other than
10 coverage under this section, made available under the na-
11 tional flood insurance program, the Director shall not con-
12 sider, in any manner—

13 (1) any premiums charged or collected pursuant
14 to subsection (d);

15 (2) any claims paid pursuant to coverage made
16 available under this section; or

17 (3) any amounts appropriated pursuant to sub-
18 section (i).

19 (h) DEFINITIONS.—For purposes of this section, the
20 following definitions shall apply:

21 (1) COVERED DISASTER AREA.—The term “cov-
22 ered disaster area” means an area—

23 (A) for which a major disaster was de-
24 clared by the President pursuant to title IV of
25 the Robert T. Stafford Disaster Relief and

1 Emergency Assistance Act as a result of Hurri-
2 cane Katrina of 2005; and

3 (B) in which the sale of flood insurance
4 coverage was available under the National
5 Flood Insurance Act of 1968 as of August 28,
6 2004.

7 (2) DIRECTOR.—The term “Director” means
8 the Director of the Federal Emergency Management
9 Agency.

10 (i) AUTHORIZATION OF APPROPRIATIONS.—

11 (1) FOR CLAIMS PAYMENTS.—There are au-
12 thorized to be appropriated to the Director such
13 sums as may be necessary to cover all costs of flood
14 insurance coverage made available under this sec-
15 tion, including administrative expenses and claims
16 under such coverage.

17 (2) FOR MITIGATION ASSISTANCE.—There are
18 authorized to be appropriated such sums as may be
19 necessary, for the national flood insurance fund es-
20 tablished under section 1310 of the National Flood
21 Insurance Act of 1968 and for the national flood
22 mitigation fund established under section 1367 of
23 such Act (42 U.S.C. 4104d), for use only for mitiga-
24 tion activities under the programs under sections
25 1323, 1361A, and 1366 of the National Flood In-

1 surance Act of 1968 (42 U.S.C. 4030, 4102a,
2 4104c), as appropriate, for eligible structures.

3 (j) TERMINATION.—The Director may not enter into
4 any contract or policy for coverage under this section ex-
5 cept pursuant to an application for such coverage sub-
6 mitted to the Director before the expiration of the 90-day
7 period beginning on the date of the enactment of this Act.

8 **SEC. 1103. PROTECTION OF EXISTING RIGHTS OF MILITARY**
9 **PERSONNEL.**

10 Nothing in this Act shall be construed to restrict or
11 otherwise limit rights set forth in any local, State or Fed-
12 eral law or regulation affording rights and benefits to mili-
13 tary personnel or their families.

14 **TITLE XII—ERADICATING**
15 **POVERTY**

16 **SEC. 1201. FINDINGS.**

17 The Congress finds that—

18 (1) 8.2 percent of Whites, 11.8 percent of
19 Asians, 22.5 percent of Latinos, and 24.4 percent of
20 Blacks lived in poverty in 2003;

21 (2) the poverty rate was 24.7 percent for
22 Blacks and 21.9 percent for Latinos in 2004;

23 (3) the poverty rate is the highest in the com-
24 pletely rural counties (not adjacent to metro coun-
25 ties), with 16.8 percent of the population poor;

1 (4) the top 5 most impoverished States accord-
2 ing to the Census Bureau are Mississippi, Kentucky,
3 Alabama, Louisiana, and the District of Columbia;

4 (5) the Bureau of the Census established the
5 poverty line for 2003 to be \$14,680 for a family of
6 three;

7 (6) extreme poverty is defined as people with
8 income of less than one-half of the poverty level;

9 (7) 12,900,000 children under the age of 18
10 lived in poverty in 2003, and the number of children
11 living in extreme poverty rose by 500,000 from 2002
12 to 2003;

13 (8) a poor child is more likely to leave school
14 at the age of 16 with no qualifications than the av-
15 erage middle-class child;

16 (9) between 2000 and 2004 the real median
17 earnings for female full-time, full-year workers de-
18 clined by 2.3 percent and for male full-time, full-
19 year workers declined by 4.4 percent;

20 (10) the average annual cost for attending a
21 public university now equals more than 62 percent
22 of the income of a working class family;

23 (11) each year, over 400,000 college-ready, low-
24 income students do not pursue their college edu-
25 cation because they cannot afford the cost; Whereas

1 homeless children face more barriers to school en-
2 rollment and attendance due to a lack of available
3 transportation, residency requirements, inability to
4 obtain previous school records, and a lack of clothing
5 and school supplies;

6 (12) the number of uninsured Americans rose
7 to 45,800,000 in 2004, 860,000 more than in the
8 previous year;

9 (13) the Bureau of the Census found 11.1 per-
10 cent of Whites, 18.7 percent of Asians, 19.5 percent
11 of Blacks, and 32.7 percent of Latinos had no
12 health insurance in 2003;

13 (14) the Bureau of the Census found 75.8 per-
14 cent of households with an income of less than
15 \$25,000 had health insurance in 2003;

16 (15) the Bureau of the Census found 91.8 per-
17 cent of households with incomes of \$75,000 or more
18 had health insurance in 2003;

19 (16) the number of Americans without health
20 insurance has risen for 3 consecutive years;

21 (17) homeless children are in fair or poor
22 health condition twice as often as other children and
23 have higher rates of asthma, ear infections, stomach
24 problems, and speech problems;

1 (18) the Department of Agriculture has found
2 that, in 2002, 34,900,000 people lived in households
3 experiencing food insecurity;

4 (19) food insecurity refers to having inadequate
5 access to enough food to fully meet basic dietary
6 needs to all times due to a lack of financial re-
7 sources;

8 (20) food insecurity and hunger rates have in-
9 creased in the United States for the third year in a
10 row;

11 (21) in 2002, the Department of Agriculture
12 found that 9.7 percent of households with incomes
13 below 185 percent of the Federal poverty line experi-
14 enced hunger;

15 (22) the Bureau of the Census survey on food
16 security has found those at greatest risk of being
17 hungry or on the edge of hunger live in households
18 that are headed by a single woman, a Latino or
19 Black, or with income below the poverty line;

20 (23) households with children experience food
21 insecurity at more than double the rate for house-
22 holds without children;

23 (24) the Bureau of the Census found that the
24 Federal Government's minimum wage is not enough
25 to live off of, yet a single parent of 2 young children

1 working full-time in a minimum wage job for a year
2 would make \$10,712 before taxes, a wage which is
3 \$3,968 below the poverty threshold set by the Fed-
4 eral Government;

5 (25) the Department of Labor records the un-
6 employment level at the end of 2004 as being 5 per-
7 cent for Whites, 10.2 percent for African-Americans
8 and 6.6 percent for Latinos;

9 (26) families with children are among the fast-
10 est growing segment of the homeless population;

11 (27) 39 percent of the homeless population are
12 children and an estimated 1,350,000 children will
13 experience homelessness in a year; and

14 (28) on January 20, 2001, President Bush
15 stated “In the quiet of American conscience, we
16 know that deep, persistent poverty is unworthy of
17 our Nation’s promise. When there is suffering, there
18 is duty. Americans in need are not strangers, they
19 are citizens, not problems, but priorities, and all of
20 us are diminished when they are hopeless. I can
21 pledge our Nation to a goal, ‘when we see that
22 wounded traveler on the road to Jericho, we will not
23 pass to the other side’.”.

1 **SEC. 1202. SENSE OF CONGRESS.**

2 It is the sense of Congress that no later than six
3 months from the adoption hereof, the President should
4 present a plan to eradicate poverty in the United States
5 of America by the year 2015.

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